



DRIVERS AND BARRIERS OF RESPONSIBLE PROCUREMENT IN FINNISH RETAIL COMPANIES

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ABSTRACT

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Drivers and barriers of responsible procurement in Finnish retail companies

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The theme of responsibility has received a lot of attention in recent decades and has increasingly become a research topic. When responsibility affects the day-to-day operations of companies, it is important to understand what motivates companies to act responsibly and, on the other hand, what prevents companies from acting responsibly. Research on responsible procurement is still limited, especially in the retail sector, although it plays a significant role in global business and in raising awareness of responsibility.

The purpose of this study is to increase awareness of the factors that influence responsible procurement. More specifically, the aim of this study is to find out which factors are the most important drivers, and which are the biggest barriers to responsible procurement in the Finnish retail sector.

The study was conducted as a mixed method study using both quantitative and qualitative research methods. Empirical data were collected through a questionnaire and interviews. A total of 33 usable responses were received to the questionnaire and five people were interviewed from four different companies. Data analyzes were performed separately by linear regression and theory-driven content analysis. Empirical results showed that responsible procurement is valued and desired in Finnish retail companies. There are many factors that affect responsible procurement, but the most important drivers were the company's values, consumer demand and pressure, and the size of the company. The biggest barriers to responsible procurement were the availability of raw materials and the lack of alternatives, as well as the lack of supplier's knowledge, while long supply chains were perceived as a major challenge.

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Vastuullisen hankinnan ajurit ja esteet suomalaisissa vähittäiskaupan yrityksissä

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Vastuullisuus teemana on saanut paljon huomiota viime vuosikymmeninä ja se on noussut yhä useamman tutkimuksen aiheeksi. Vastuullisuuden vaikuttaessa yritysten jokapäiväisiin toimintoihin, on tärkeä ymmärtää, mikä motivoi vastuullisesti toimimiseen ja mikä toisaalta estää yrityksiä toimimasta vastuullisesti. Tutkimus vastuullisista hankinnoista on vielä vähäistä erityisesti vähittäiskaupan alalta, vaikka sillä on merkittävä rooli globaalissa liiketoiminnassa ja vastuullisuustietoisuuden lisäämisessä.

Tämän tutkimuksen tarkoituksena on lisätä tietoisuutta siitä, mitkä tekijät vaikuttavat vastuulliseen hankintaan. Tarkemmin tutkimuksessa halutaan selvittää, että mitkä tekijät ovat tärkeimpiä ajureita ja mitkä tekijät isoimpia esteitä vastuullisessa hankinnassa suomalaisen vähittäiskaupan alalla.

Tutkimus toteutettiin sekamenetelmätutkimuksena käyttäen sekä kvantitatiivisia että kvalitatiivisia tutkimusmenetelmiä. Empiirinen aineisto kerättiin kyselylomakkeella ja haastatteluilla. Kyselylomakkeeseen saatiin yhteensä 33 käyttökelpoista vastausta ja viittä henkilöä haastateltiin neljästä eri yrityksestä. Aineistojen analyysit toteutettiin erikseen lineaarisella regressiolla sekä teoriaohjaavalla sisällönanalyysillä. Empiiriset tulokset osoittivat, että suomalaisissa vähittäiskaupan yrityksissä vastuullisia hankintoja arvostetaan ja niitä halutaan toteuttaa. Vastuullisiin hankintoihin vaikuttaa moni tekijä, mutta tärkeimmiksi ajureiksi yritykset kokivat yrityksen arvot, kuluttajien vaatimukset sekä paineen ja yrityksen koon. Isoimpia esteitä vastuullisiin hankintoihin olivat raaka-aineiden saatavuus ja vaihtoehtojen puute sekä toimittajien tiedonpuute, kun taas pitkät toimitusketjut koettiin isoksi haasteeksi.

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In Vantaa, May 31, 2022

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ABBREVIATIONS

GHG	Greenhouse Gas
NGO	Non-governmental Organization
OLS	Ordinary Least Squares
SCM	Supply Chain Management
SSCM	Sustainable Supply Chain Management
TBL	Triple Bottom Line

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1 Introduction

This research introduces the theme of responsibility and more specifically responsible procurement. Responsibility is a theme that has become an important and popular research topic in recent decades. Nowadays, it is not enough to focus only on profit-making issues, but companies should also act responsibly internally in their operations, and responsibility should cover the entire company's supply chain (Maloni & Brown 2006, 35). Responsibility has become a big part of the company's value creation and management. As the concept is broad globally and locally, responsibility is taken into account more comprehensively in business operations than, for example, ten years ago. An important task for companies is therefore to integrate responsibility and its aspects into everyday decision-making.

In a global and ever-changing business environment, companies face external and internal challenges in pursuing responsibility. There is research on drivers and barriers to responsible procurement, but more research is still needed (Ferri, Oelze, Habisch & Molteni 2016, 272). According to Chkanikova and Mont (2012, 65), to make successful responsible procurement in the retail sector, it is important to understand what motivates and hinders companies from acting responsibly. A comprehensive study of these factors would raise awareness, justify sustainability investments, and provide advice to policymakers and retailers on effective implementation of sustainability. (Chkanikova & Mont 2012, 65)

1.1 Background of the study

Globalization and the growing consumer interest in responsible operations can be considered as the main reasons for this growing trend, which is also forcing companies to pay more attention to responsible operations in their own business. (Panapanaan, Linnanen, Karvonen & Phan 2003; Gualandris, Golini & Kalchschmidt 2014) Miemczyk, Johnsen, Spencer, and Walker (2012) also emphasize the topicality of the theme in their article, which is reflected in the growing number of journals on the subject. They also assume that this trend will continue and that the number of related journals and publications will increase significantly in the future (Miemczyk et al. 2012). This finding shows that the topic is indeed topical.

Responsibility has been studied in the academic literature for decades and the topic continues to attract interest. Although there are many studies on the subject, the findings have not been entirely consistent. For example, researchers have not reached a common view on the impact of responsible business on a company's financial performance. Some argue that responsible measures are one of the company's many costs without high economic added value (Lavie 2006; Arya & Lin 2007; Luzzini, Brandon-Jones, Brandon-Jones & Spina 2015), while others see responsibility as an investment in the future and assert that responsible business also has a positive economic impact (Barnett & Salomon 2006; Liu, Xi & Wang 2020).

However, researchers have come to agree that responsible business has more benefits for a company's operations and image than ignoring responsibility (Hoejmose & Adrien-Kirby, 2012). By acting responsibly, a company can gain a competitive advantage, stand out from its competitors, and increase its popularity among stakeholders (Porter & Kramer 2006, 88-89; Galbreath 2010, 416). Responsibility is and will continue to be a major force in the future that cannot be ignored. It has a decisive impact on the business and can no longer really be considered a matter of choice for a company. (Berns, Townend, Khayat, Balagopal, Reeves, Hopkins & Kruschwitz 2009, 21)

Instead of the benefits of responsibility, the definition of responsible business is somewhat well-established among researchers. In 1997, John Elkington launched an accounting framework called the *Triple Bottom Line* (TBL), which includes three dimensions of performance: the social, environmental, and economic dimensions. This framework is also known as the 3Ps: People, Planet, and Profits. (Slaper & Hall 2011, 4) According to Elkington (1998, 37), an accounting framework such as TBL was needed to allow companies to evaluate their performance from a broader perspective in order to increase business value. The development of the TBL was also a statement against capitalism, according to which only one area of business is under consideration - profitability. (Elkington 1998, 37) In this study, responsibility is defined according to the dimensions of the TBL.

When companies purchase products and services from outside their own business, the procurement is a key action of the business. Procurement acts as a significant link to other

actors, such as suppliers (Goebel, Reuter, Pibernik, Sichtmann & Bals 2018, 45). According to Hochschorner and Finnveden (2006, 202), procurement is an activity and occurs when company purchases, rents, or leases products or services. Because there is a growing interest for companies to do responsible business, responsibility and procurement go in hand in hand. As Walker and Jones (2012, 15) point out, it is no longer enough to just look for a profit, but companies should also give something back to society, and that is to take into account the negative effects on the environment and take responsibility for their actions. According to Tiwari, Wei and Mubarak (2019), procurement that takes environmental factors into account should also be carried out, as the company can become competitive in doing so. A company with a more responsible business and procurement can also operate for much longer than an average competitor that does not take into account the environmental impact of its business (Pagell & Wu 2009, 38).

There are numerous approaches to the concept of responsible procurement in the literature and its development has been monitored by many researchers. For example, in 2000, Nagel combined the term "green procurement" with eco-labels, avoidance of environmentally harmful substances, energy use, recyclability and the disassembly time (Nagel 2000, 220). In 2001, responsible procurement was seen as a set of purchasing policies, the actions taken, and response to environmental concerns (Zsidisin & Siferd 2001, 69). In 2011, responsible procurement became an integral part of purchasing policy, various programs and activities that included environmental issues (Large & Gimenez Thomsen 2011, 177). More modern and recent approaches have defined responsible procurement as "the procurement of products or services that have a reduced environmental impact compared with other products or services that serve the same purpose, or products that meet certain predefined environmental criteria" (Alberg Mosgaard 2015, 265). Nowadays, the importance of the term is widely recognized and cannot be ignored, as it has a significant impact on the monetary and non-monetary sectors of industry (Tiwari et al. 2019, 267).

1.2 The aim of the research and research questions

The aim of this study is to find the main drivers and biggest barriers to responsible procurement in retail sector. Drivers and barriers are being studied in Finnish retail companies. Finnish retail companies were specifically selected for the study, as the current literature on responsible procurement is mainly located in developed countries such as the United Kingdom and the United States (McMurray, Islam, Siwar & Fien 2014, 195). In particular, the study aims to find out which drivers are the most important factors for responsible procurement when making responsible purchases. In addition, the objective is to find out what are the biggest barriers to responsible procurement. Based on the objectives of the study and the previous literature, one main research question and two sub-research questions were formed for the study.

Main research question is followed:

“What factors affect the responsible procurement in the retail sector?”

In addition to the main research question, two sub-research questions were formed:

“What are the most important drivers of responsible procurement in Finnish retail companies?”

“What are the biggest barriers to responsible procurement in Finnish retail companies?”

1.3 Theoretical framework

This section presents the theoretical framework of the study. The framework describes the topic of the thesis and compiles the key concepts of this thesis. The research focuses on the retail sector and aims to examine the factors that affect responsible procurement. The thesis examines in more detail the main drivers and the biggest barriers to responsible procurement. These factors are illustrated by the arrows in the figure 1. Although responsibility is not mentioned in the figure, it is essentially related to the theme of this study. Responsibility and responsible procurement are broad and somewhat ambiguous concepts, but in order to

understand responsible procurement, you must understand the factors that affect responsibility. Naturally, the drivers and barriers to responsible procurement are the root of the phenomenon. The framework of the research is shown in figure 1.

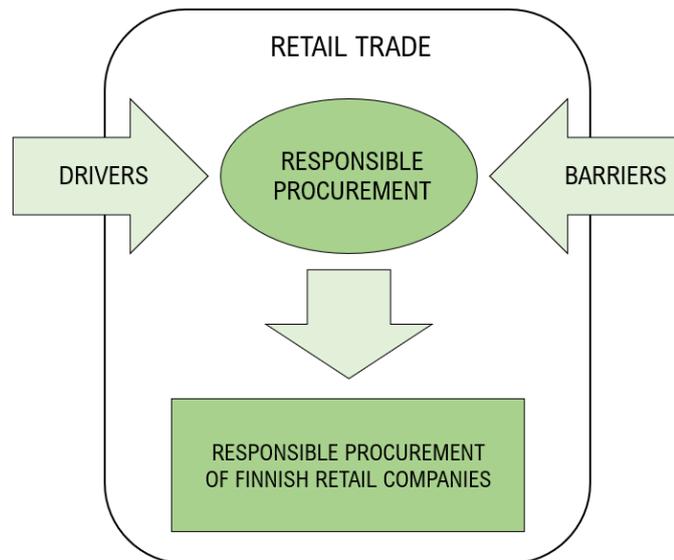


Figure 1. Theoretical framework.

1.4 Key concepts

This section defines concepts that are strongly interrelated for this research. These concepts are responsibility, procurement, responsible procurement, and retail.

Responsibility

Traditionally, companies have been seen as suppliers of goods and services to customers and the market, as providers of jobs and security, as rewarders for investors, as compliant with the law, and as payers of taxes. In a capital society, this was acceptable, but today it is not enough. Hence, responsibility means responsible business that goes beyond the requirements of law for the benefit of society and the protection of the environment and people. (du Plessis & Grobler 2014, 267)

Procurement

Procurement can be defined as the process by which a company purchases goods and services from an external source, such as a third-party supplier. These goods and services are needed by a company to achieve its business goals. (Sharp 2022) The procurement activity can be described as a support function of the company, which ensures the smooth running of the company's core functions. A procurement can therefore be said to be everything from which the organization receives an invoice from an external supplier. (Nieminen 2016) Procurement plays a key role in sustainable development (Meehan & Bryde 2011, 95).

Responsible procurement

This research uses the concept of 'responsible procurement', which can be defined "as the pursuit of sustainable development objectives through purchasing and supply process" (Miemczyk et al. 2012, 201). Responsible procurement consists of three key areas of responsibility: environmental responsibility, social responsibility, and financial responsibility. According to Walker and Brammer (2009, 128), responsible procurement can be combined with the principles of sustainable development to ensure a strong, healthy, and fair society that respects the boundaries of the environment.

Retail

Retail is a business that serves consumers. Retail distributes products to consumers from production, industry and abroad through various wholesalers or importers. Retail trade can be functionally divided into three industry groups, of which the grocery and department store trade forms one group. The second group is the specialty trade and the third is the automotive retail trade. Grocery stores and department stores are the largest retail outlets. Retail covers grocery stores, department stores, hardware and construction stores, fashion stores, health and wellness stores, home furnishing stores, leisure stores, service stations and online stores. (Santasalo & Koskela 2015, 10-11).

1.5 Limitations

The limitations of this research due to the nature of the research objective should be mentioned. First, the concept of responsibility is very broad and can be studied from many different perspectives. However, the study considers all three dimensions of responsibility (social, environment, economic), but only from the perspective of responsible procurement. In this study, the context of responsible procurement is also considered only from the perspective of the company, in the other words, the retail trade. This can lead to research integrity because the supplier's perspective is completely limited. Furthermore, although responsible procurement covers the entire supply chain of a company, this research focuses only on the perspective of the purchasing company, otherwise the topic would be too broad.

Other limitations may appear due to the methodology. Combining the two research methods is not easy and the analysis should be done carefully. In addition, obtaining a sufficiently large sample through a questionnaire can be difficult in a study of this scale when time is limited. Due to the low response rate, the results may be skewed. However, the validity of the study has been enhanced by using both quantitative and qualitative research method.

1.6 Research methodology

The purpose of this study is to examine the effects of different drivers and barriers to responsible procurement. The method used in the study is mixed method research, which means that both quantitative and qualitative methods are used. Mixed method research increases the validity of a study because the subject under study is approached by different methods and not just by one method. With the help of this research method, a more comprehensive picture of the phenomenon under study is obtained and the phenomenon can be better understood (Ruparathna & Hewage 2015, 307). According to Seppänen-Järvelä, Åkerblad and Haapakoski (2019, 332), combining quantitative and qualitative research provides more comprehensive answers to research questions as the limitations of a single approach are removed.

This study uses a questionnaire as well as semi-structured interviews as a data collection method. Data are collected simultaneously as if they were two different studies, but the data are brought together in the analysis phase (Spratt, Walker & Robinson 2004, 7). Quantitative data are analyzed by statistical methods using linear regression analysis as a tool while qualitative data is analyzed by theory-driven content analysis.

1.7 Structure of the thesis

The structure of the thesis consists of a theoretical part, and an empirical part which include the findings of the thesis. The thesis proceeds as follows. The thesis consists of five main chapters. The introduction chapter is the first chapter, and it presents the topic of the research at a general level, key concepts, and limitations. In addition, the research problem and the research questions are formed based on previous literature and findings. The second chapter discusses previous literature on the subject and deepens the theory. The sections of the second chapter deal with responsible procurement in general and the drivers and barriers to this. In addition, responsible procurement in the retail sector has been discussed. Chapter three reviews the research method used in the thesis and introduces the data collection methods. In addition, validity and reliability are assessed. The empirical analysis begins in the fourth chapter. The fifth and final chapter is reserved for discussion and conclusions. A summary of the results found, the limitations of the thesis, and suggestions for future research are also presented. The structure of the thesis is presented in figure 2.

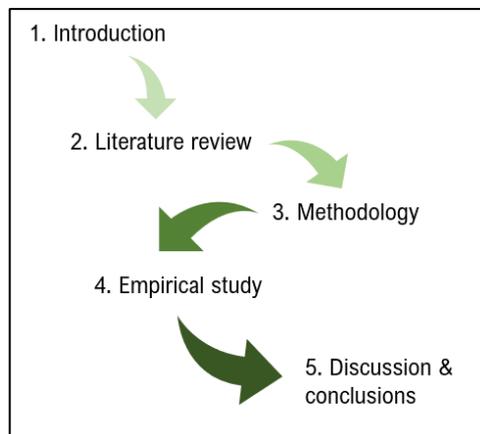


Figure 2. Structure of the thesis.

2 Literature review

This chapter reviews the responsibility of procurement and the factors that motivate it and the factors that slow down or prevent it. Responsible procurement would not take a place without these factors and they play an important role in implementing responsible procurement. Before talking about drivers and barriers, it is worth getting to familiarize more about responsible procurement as a phenomenon.

Responsible procurement is less common term in the academic literature, but many similar terms are used, such as, responsible sourcing (Guo, Lee & Swinney 2016), socially responsible purchasing (Mont & Leire 2009), socially responsible sourcing (Zorzini, Hendry, Huq & Stevenson 2015), green procurement (Nagel 2000; Alberg Mosgaard 2015; Shen, Zhang & Zhang 2017; Simion, Nicolescu & Vrîncuț 2019), socially sustainable sourcing (Wright & Brown 2013), and environmental purchasing (Carter, Kale & Grimm 2000; Zsidisin & Siferd 2001; Björklund 2011; Tate, Ellram & Dooley 2012). These studies have often focused on only one aspect of responsibility, with a broader review receiving less attention. However, there are studies on a larger scale, for example Hojmosse & Adrien-Kirby (2012) conducted a literature review on socially and environmentally responsible procurement (SERP) and emphasized the importance of the topic in this scale as an opportunity for future research when scientists are currently neglecting it. Also, Ferri & Pedrini (2018) presented a study that took advantage of a broader perspective on responsibility. They compared the contribution of social and environmental practices throughout the purchasing process to economic performance, competitiveness, and risk reduction.

In the field of responsible procurement, research with a broadly responsible perspective is still limited and there is a need for research. Indeed, Hojmosse and Adrien-Kirby (2012, 240) encourage researchers to participate more in development and testing than to describe the phenomenon alone. Although responsibility and sustainability can be considered synonymous, there is a small difference: sustainability means the goal that responsible action pursues. Thus, studies using the terms sustainable procurement (Haake & Seuring 2009; Walker & Brammer 2009; McMurray et al. 2014; Da Costa & Da Motta 2019), sustainable

sourcing (Schneider & Wallenburg 2012), and sustainable purchasing (Chkanikova 2016) consider all three dimensions of responsibility: the social, environmental, and economic dimensions. Table 1 summarizes the articles according to the terms they use and the dimensions of responsibility.

Table 1. Categorization of the articles.

Dimension(s) of the responsibility	Term used	Author(s) & year
Social	Socially responsible purchasing	Mont & Leire (2009)
	Socially sustainable sourcing	Wright & Brown (2013)
	Socially responsible sourcing	Zorzini et al. (2014)
	Responsible sourcing	Guo et al. (2016)
Environmental	Environmental purchasing	Carter et al. (2000); Zsidisin & Siferd (2001); Tate et al. (2012)
	Green procurement	Nagel (2000); Alberg Mosgaard (2015); Shen et al. (2017); Simion et al. (2019)
Social and environmental	Socially and environmentally responsible purchasing	Ferri & Pedrini (2018)
	Socially and environmentally responsible procurement (SERP)	Hoejmose & Adrien-Kirby (2012)
Social, environmental, and economic	Sustainable procurement	Haake & Seuring (2009); Walker & Brammer (2009); McMurray et al. (2014); Da Costa & Da Motta (2019)
	Sustainable sourcing	Schneider & Wallenburg (2012)
	Sustainable purchasing	Chkanikova (2016)

Drivers and barriers play an important role in responsible procurement, and researchers have sought to understand what factors facilitate or hinder participation in socially and environmentally responsible activities (Chanikova & Mont 2012, 66; Ferri et al 2016, 262). However, there is an incentive for further research due to the limited understanding of the factors involved in implementing responsible procurement (Ferri et al. 2016, 262).

According to Shen, Zhang and Zhang (2017), the most typical reasons for moving to responsible procurement are political pressure, marketing benefits, and corporate benefits, but typical reasons may not be key drivers even though the reasons are considered very important. Key factors in general are those that have a significant impact on procurement or purchasing habits. (Shen et al. 2016, 373) Previous research has identified a lot of motives, or so-called drivers, for companies' efforts to "greening" and act responsibly (Giunipero,

Hooker & Denslow 2012, 260). Significant drivers for responsible procurement include, for example, improving efficiency and transparency (McMurray et al. 2014; Vimal, Sasikumar, Mathiyazhagan, Nishal & Sivakumar 2019), financial savings (Varnäs, Balfors & Faith-Ell 2009; Giunipero et al. 2012; McMurray et al. 2014), positive business impact (Bowen, Cousins, Lamming & Farukt 2001; Ghadge, Kaklamanou, Choudhary & Bourlakis 2017), management support (Walker & Brammer 2009; Giunipero et al. 2012; Schneider & Wallenburg 2012; Ferri et al. 2016), reputation retention (Meehan & Bryde 2011), stakeholder expectations (Whitehouse 2006; Walker & Jones; 2012; Naidoo & Gasparatos 2018), and regulations and laws (Giunipero et al. 2012; Lozano 2015).

Moving from a general procurement process to green and responsible procurement is not always easy. The transition often involves technical barriers, redefining relationships with stakeholders or even finding new ones, and an innovative approach to procurement planning. All of these could be seen as barriers to responsible procurement in addition to legal and organizational requirements. (Simion et al. 2019, 3) Several previous studies consider rising costs to be the biggest barrier to implementing responsible procurement (Varnäs et al. 2009; Walker & Jones 2012; McMurray et al. 2014; Oelze 2017). Other barriers include non-commitment of management (Walker & Brammer 2009; Walker & Jones 2012; Da Costa & Da Motta 2019), decentralized sourcing (McMurray et al. 2014; Da Costa & Da Motta 2019), intellectual resources like lack of knowledge (Varnäs et al. 2009; Walker & Jones 2012; Boström & Karlsson 2013), irresponsibility of suppliers (Walker & Brammer 2009; Oelze 2017), and regulations and laws (Giunipero et al. 2012; Ghadge et al. 2017). Türk and Çelik (2019) also identified the lack of government support to implement environmentally friendly policies as a barrier to responsibility.

Research has focused on different business sectors in addition to public and private sectors but has focused mainly on developed countries such as the United States and the UK (Paulikas & Brazdauskaitė 2010; Hasselbalch, Costa & Blecken 2014, 365; McMurray et al. 2014, 195). Nevertheless, Naidoo and Gasparatos (2018) studied drivers, strategies, and performance measurement and focused this research on the retail sector. However, they only consider one dimension of responsibility, which was environmental side. In their study, they found three reasons for corporate environmental sustainability (CER), which are

profitability, environmental policy, and stakeholder pressure. They emphasize that cost savings appear to be by far the predominant reason for the adoption of CER in the retail sector. As digitalization and stakeholder awareness of responsibility increase, stakeholder pressure has also risen to an almost equally important factor. (Naidoo & Gasparatos 2018)

Retail sector is seen as an important factor in raising awareness of responsibility but according to Dal Mas, Tucker, Massaro and Bagnoli (2021, 8) it still appears to be an underinvestigated sector even though it plays a significant role in global business. Nevertheless, Chkanikova and Mont (2015) examine the factors faced by food retailers and the barriers to implementing corporate supply chain responsibility. The study was conducted on Swedish retail companies. According to them, the complexity of supply chains and the lack of power, knowledge, and resources available to individual retail businesses are significant challenges in promoting responsibility, while sustainability standards were seen as playing an important role in achieving responsibility. (Chkanikova & Mont 2015)

de Brito, Carbone, and Blanquart (2008) examine the impact of responsibility on the organization of the fashion retail supply chain. The aim was also to find challenges and contradictions for sustainable development. The researchers identified three main factors behind sustainability and these factors were legislation, the achievement of competitiveness and the level of overall corporate responsibility of the company. They also highlighted the numerous standards available to companies to support responsibility, but they often provide little information on existing approaches. As a result, they concluded that there is not one optimal form of sustainable development, but there are different ways and strategies available. (de Brito et al. 2008)

Arrigo (2020) also studied fashion retailers, especially fast fashion retailers, and focused in particular on global procurement strategies to understand how the factors influencing procurement have changed over time from a sustainability perspective. The results showed that sustainable development and responsibility are considered more important factor than before and at the core of procurement, but the barrier to responsible procurement is still the relocation of production to cheaper countries. In the fast fashion retail sector in particular, purchases are still price-based, so that price acts as one of the barriers to responsible

procurement. Even though fast fashion retailers choose the sourcing market mainly based on cost factors, the decisions nonetheless reflect a more sustainable perspective. (Arrigo 2020)

Ghadge, Kaklamanou, Choudhary and Bourlakis (2017) used descriptive research methodology to explore the Greek food chain, which faces several challenges in adopting green practices. The aim was to identify the main factors and barriers affecting the environmental protection of small and medium-sized enterprises (SMEs). They identified five barriers and six drivers to adopting sustainable practices, and while external factors have a significant impact on market structure and logistics network, their research showed that different stakeholders are important factors in improving environmental performance. (Ghadge et al. 2017)

However, the barriers and drivers found vary depending on the subject being studied (Hasselbalch et al. 2014), but similarities have also been found. The results of the studies may also differ depending on the region, industry, or country in which they were conducted. In the table 2, there is summary of the studies which examined retail sector and drivers and barriers of responsible procurement.

At the end of this chapter, the drivers and barriers to responsible procurement are discussed. Barriers and drivers can be divided into internal and external factors, of which internal factors are related to factors coming from within the company while external factors are more external pressures or motivators. (Whitehouse 2006, 287) Internal sources of responsibility are largely related to organizational structures. At the core are the company's values, goals, and ability to make responsible purchases. (Gualandris et al. 2014, 260) External factors, on the other hand, are related to the company's operating environment and cannot be influenced by the company, but only must adapt its own operations to the prevailing conditions (Lozano 2015, 35).

Table 2. A summary of previous research about drivers and barriers in retail sector.

Author & Year	The aim of the research	Industry / Sector	Method	Findings
de Brito et al. (2008)	The aim is examining the impact of responsibility in organization and find challenges and conflicts for sustainable development	Fashion retail	Semi-structured interviews and the questionnaire	Three main factors behind sustainability and these factors are legislation, the achievement of competitiveness and the level of overall corporate responsibility of the company
Chkanikova & Mont (2015)	The aim is to provide an overview of drivers and barriers to supply chain responsibility	Swedish food retailers	Qualitative study, semi-structured interviews	The complexity of supply chains and the lack of power, knowledge, and resources available to individual retail businesses are significant challenges in promoting responsibility, while sustainability standards were seen as playing an important role in achieving responsibility
Ghadge et al. (2017)	The aim is identify and prioritize the main drivers and barriers to implement green practices	Greek food sector	A questionnaire survey and a causal loop diagram	They identified five barriers and six drivers. The main barriers were external factors, and the main driver was different stakeholders
Naidoo & Gasparatos (2018)	The goal is to explore existing barriers, strategies, and performance measurement	Retail sector	An extensive literature search	Cost savings appear to be by far the predominant reason for the adoption of CER in the retail sector. As digitalization and stakeholder awareness of responsibility increase, stakeholder pressure has also risen to an almost equally important factor
Arrigo (2020)	The aim is to examine the global sourcing strategies of leading fast fashion retailers to understand whether decision-making criteria have shifted to a more responsible approach and whether they meet the growing demands of stakeholders	Fast fashion retailers	Qualitative, content analysis	Sustainable development and responsibility are considered more important factor than before and at the core of procurement, but the barrier to responsible procurement is still the relocation of production to cheaper countries and hence the big barrier to responsible procurement is cost

2.1 Responsible procurement

In world history, the 21st century is also known, especially during the time of globalization, which has made companies increasingly international. One thing that has come with internationalization is long supply chains that extend as far as developing countries. (Chick & Handfield 2015, 15) At the same time, consumer and media interest in responsibility has grown at an accelerating pace (Nieminen 2016; Juholin 2004). With the growth of social media, the knowledge of responsibility and lack of it has become ever closer to consumers and other communities. The development of information technology has contributed to an increase in transparency in society, so abuses in supply chains and other irresponsible business practices are immediately available to many people. (Gualandris et al. 2014, 259) All this has made responsible business more important than ever for companies.

Tiwari et al. (2019, 268) states that supply chain management (SCM) is the administration of a system of interconnected organizations and covers all essential development and capacity from natural resources, from the starting point of an unfinished product to its end point. According to Seuring and Müller (2008, 1700), material, information, purchasing, and sourcing are intrinsically linked to the supply chain. SCM is thus about improving the integration of these functions, including gaining a competitive advantage by improving supply chain relationships. Responsible procurement can say to be part of SCM, and it plays an important role in the supply chains. The traditional task of procurement is to achieve the lowest price and ensure the necessary material flow for production (Sikora, 2021, 1130). Today, purchases are distributed among a wide range of suppliers, which means that price and quality also vary more than before. In addition, the newer perspective identifies the different processes and relationships with suppliers that define an organization's supply chain. Procurement is proactive and manages and plans relationships with different suppliers and when this proactive approach is implemented, the company can make savings throughout the procurement system (Burt & Pinkerton 1996, 21-22). It can therefore be said that procurement increasingly involves inter-organizational relationships, the utilization of suppliers' resources, the development of relationships, cost management and various logistics to handle and combine products (Zsidisin & Siferd 2001, 62). Procurement

management has become a strategic partner for a company that reshapes the strategic direction of large corporations (Gualandris 2014, 262).

The emphasis on the responsibility aspect as part of the procurement and supply chain is a particularly interesting topic that has become the subject of many studies (Pagell & Wu 2009, 37). It is important to note that the requirement for business responsibility is not limited to the immediate vicinity of the organization, but also extends to upstream partners. According to Sikora (2021, 1131), one of the most important parts of supply chain management is the suppliers themselves, and proper management of them is emphasized because they are at the beginning of the logistics chain, which means that an inappropriate approach to cooperation with suppliers can cause even big problems (Sikora 2021, 1131). In other words, responsibility runs throughout the whole supply chain (Maloni & Brown 2006, 35). In addition, ensuring responsible operations should be a major factor in the supplier selection process and in the design of supply contracts. Suppliers should respond to these requirements by ensuring that it contributes to the responsibility of the entire supply chain and meets the required requirements for responsibility. (Zhu & Geng 2001, 30)

The growing interest in sustainable supply chain management (SSCM) is not entirely new and it is noticeable that it is becoming commonplace for companies. At the time of industrialization, the disadvantages that arose from it were also gradually being noticed, and this put pressure on companies to take responsibility for the damage they do to the environment. A company that takes sustainable development into account and focuses not only on economic benefits but also on social and environmental benefits can be considered a responsible organization. (Gimenez, Sierra & Rodon 2012, 150) The SSCM study was started in the late 1990s, but at that time it mainly covered only the environmental aspect. The term SSCM was first introduced by Linton, Klassen & Jayaraman (2007), but deeper explanations for this term were provided in a few studies. (Carter & Rogers 2008; Seuring & Müller 2008) The SSCM was first described as a strategic and transparent collection covering four aspects of sustainability. These aspects were risk management, transparency, strategy, and corporate culture. (Zhou & Xu 2018, 3) Later, the importance of social responsibility in procurement, production and consumption was also seen as an equally important part of sustainable supply chains. Although research into sustainable supply chain

management was started as early as the 1990s, sustainability aspect was included later into this context. (Panigrahi, Bahinipati & Jain 2019, 1002)

When it was noted that the importance of social responsibility in companies is emphasized (Drumwright 1994) and that environmental issues should be given priority (Murphy, Poist & Braunschwig 1994), Elkington (1998) presented a new triple financial statement concepts which is called *Triple Bottom Line* (TBL) and according to that companies should focus on economic, environmental, and social balance in business (Elkington 1998; Zhou & Xu 2018). The goal was to find a formal mechanism to the organization to monitor and highlight responsibility in the organization's supply chain, thereby improving internal and external performance as well as help organization to gain a competitive advantage (Zhou & Xu 2018, 3). This strategic aspect of procurement, which achieves, for example, a competitive advantage, is known as responsible procurement (Tiwari et al. 2019, 267). However, according to Badurdeen, Iyengar, Goldsby, Metta, Gupta, and Jawahir (2009, 51), the areas defined by Elkington are often seen as separate: economic benefits, environmental protection, and social welfare. Figure 3 illustrates the relationship between social, environmental, and economic aspects. Together, these aspects illustrate responsible procurement, which is reflected in the middle of the elements in figure 3.

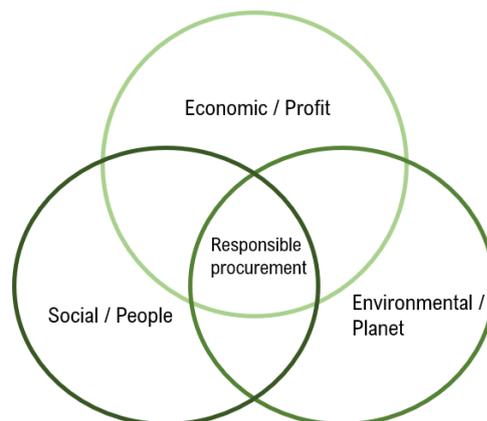


Figure 3. Triple bottom line (Wilson 2014).

There has been a lot of discussion in the procurement literature about responsibility in general and the interaction between TBLs. Although much has been studied and much is known about the aspects of TBL, there is still little literature on their relationship to

procurement. In the future, it would be important for the impact of the aspects on procurement to be fully understood, both at organizational level and among researchers, so that the opportunities they bring can be better exploited. (Fayezi, Zomorodi & Bals 2018, 587) According to Berry (2011, 3-4), responsible procurement should strive to minimize negative outcomes and promote positive outcomes for the economy, the environment, and society.

Economic responsibility

Economic responsibility is not just about making a business profitable and making a profit for stakeholders, but economically responsible procurement seeks to generate positive financial benefits for as many stakeholders as possible within and outside the organization. (Berry 2011, 38) However, Nicoletti (2020, 6) points out that making a profit is essential in business, especially to improve the efficiency, effectiveness, and economy of the procurement sector. Revenue also helps meet the growing need to respond to value creation and customer satisfaction at all levels and functions of the organization. Without revenue, there are no companies and without a profit, companies cannot survive. (Nicoletti 2020, 6)

Economic responsibility can be seen as one of the most important and generally accepted dimensions of financial performance. Economic consideration is a traditional core of procurement decisions, and responsible procurement continues to recognize the fundamental importance of the economic dimension. (Schulz & Flanigan 2015, 451; Mont & Leire 2009, 389) However, the primary goal of organizations is to create value for stakeholders and owners through economically responsible processes. Organizations should focus on processes that improve long-term profitability, rather than focusing on short-term goals (Berry 2011, 39). Long-term economic responsibility is reflected, for example, in responsible reporting to stakeholders, which is very much tied to regulations and standards (Wu & Pagell 2011). The dimension of economic responsibility should also reflect an organization's financial strengths and potential concerns to stakeholders and society (Porter & Kramer 2006, 82).

Social responsibility

Responsible procurement is also used as a means of addressing social issues such as equality, diversity, poverty, unemployment, health, and well-being (Marshall, McCarthy, Claudy & McGrath 2016, 1084). Socially responsible procurement is mainly focused on upstream production and is an important part of broader responsible supply chain management (Mont & Leire 2006, 390). The literature has recognized that the social impacts of procurement are wide-ranging. In the past, social responsibility has been limited to the organization's concern for its own workforce, their health and safety. (Hoejmose & Adrien-Kirby 2012, 235) However, organizations should be aware of the social practices of their suppliers throughout their supply chain (Zorzini et al. 2015, 61). Due to globalization, supply chains and their social responsibility have become increasingly long and complex and that are practically impossible to control (Schneider & Wallenburg 2012, 245).

According to Porter and Kramer (2006, 91), a company cannot fully build its business around social issues but adding a social dimension to the supply chain and value proposition provides a new perspective on the competitive positioning. As the awareness of customers and stakeholders about social responsibility has increased, customers would be able to punish companies for socially irresponsible actions. However, this is often not the case, as the literature also highlights the fact that customers often have difficulty in identifying whether and to what extent a company is socially responsible (Dal Mas et al. 2021, 2). Whitehouse (2006, 280) therefore suggests that companies should provide consumers with more information on social responsibility and that public decision-makers should also make efforts to educate citizens.

In terms of procurement, an organization's responsibilities extend to all individuals and entities that affect its supply chain. More often, companies go public in a negative sense when unethical business practices and irresponsibility in the way companies operate become apparent. (Jago & Pfeffer 2019, 84) These unethical practices often have their roots in the very beginning of the supply chain, often reaching as far as developing countries. For example, Nestlé became public about abuses in its supply chain and was repeatedly sued for irresponsible behaviour because of its cocoa farmers located in Côte d'Ivoire, who use slavery, child labor and forced labor. (Qumer & Purkayastha 2018) This is an unfortunate

good and important example of a company being as responsible as its entire supply chain behind it. Negative publicity and reputational damage can have a significant impact on a company's image, not to mention financial disadvantages (Azapagic & Perdan 2000, 245).

While the importance of knowing socially responsible practices among supply chain partners cannot be denied, taking social concerns into account in procurement decisions is still challenging. It is difficult to ensure, for example, working conditions and the desired way of working. (Marshall et al. 2016, 1082) Researchers have identified several categories that are covered by socially responsible sourcing. These categories include human rights (working conditions, child and forced labor, and working hours), security (safe working environment and regular safety training), community (initiatives to support economic development), and diversity (purchases from minorities). (Whitehouse 2006; Mont & Leire 2009; Marshall et al 2016; Dal Mas et al. 2021)

Environmental responsibility

Environmental issues in the context of responsible procurement have been identified as key drivers of responsible procurement (Alberg Mosgaard 2015, 264). According to Berry (2011, 30), humanity places too many demands on available resources by exploiting unsustainable consumption habits and lifestyles. Sometimes green or environmental procurement is seen as an independent concept, but today it is worth integrating it into the broader concept of responsible sourcing. (Berry 2011, 30) Previous research has also emphasized that the environmental dimension should focus on the impact of a company on both living and non-living natural systems such as land, air, and water (Schulz & Flanigan 2016, 451).

Environmental responsibility in procurement means that procurements are carried out in such a way that their environmental impact is kept to a minimum. According to Badurdeen et al. (2009, 53), the environmental impact should be assessed throughout the supply chain or, preferably, even over the life cycle of the product. Life-cycle costing considers the impact of procurement decisions on the recyclability of a product or its emissions during use (McMurray et al. 2014, 202). This life-cycle thinking would therefore be a good way to internalize environmental issues, as most products have an environmental impact at all stages of their life cycle, consuming raw materials and energy, freeing up emissions and producing

waste (Hochschorner & Finnveden 2006, 200). This will eventually lead to a cleaner environment and encourage more responsible behavior.

The environmental priorities of responsible procurement can be divided into three main themes. First, environmentally responsible procurement can alleviate overuse or damage to scarce resources. Secondly, it is a means of combating climate change, because choosing carbon-neutral goods and services can reduce the amount of carbon in the atmosphere. Thirdly, procurement that takes the environment into account can minimize the generation of waste. (Berry 2011, 30-31) Given the overuse of nature and resources, many organizations are committed to using certified and sustainably sourced materials throughout their supply chain (Naidoo & Gasparatos 2018, 131). In addition, Guo et al. (2016) state that consumers are willing to pay a little more for a product if they know it is more responsible.

All in all, combining these three elements for responsible procurement is important, but still too limited. Globally, companies should pay more attention to and adopt the concept of greater responsibility by leveraging TBL. According to Hoejmose and Adrien-Kirby (2012, 238), there are many benefits to combining social and environmental practices. For example, they benefit the company in its own long-term interests, increase the public image, increase the viability of the business, and enable the company to meet the requirements and expectations of its stakeholders. (Hoejmose & Adrien-Kirby 2012, 238) It should be borne in mind that properly designed social and environmental responsibility measures also bring economic benefits, such as material savings and material costs and at the same time companies can reduce their environmental impact for example lowering costs of inputs and waste disposal (Giunipero et al. 2012, 261). Sound environmental strategies can also bring positive economic and social benefits (Wilson 2015, 432). Hereby, the three dimensions of TBL are intertwined. The TBL concept suggests that a company not only has to commit to socially and environmentally responsible activities, but that they can also benefit financially and get positive benefits (Gimenez 2012, 150). The benefits of responsible procurement can be divided into four areas: risks and reputation, cost savings, revenue growth and securing the future (CIPS 2013).

2.2 Drivers of responsible procurement

This section reviews the factors in the literature that drive companies to responsible procurement. These factors can be divided into internal and external drivers. According to Whitehouse (2006, 294), internal and external drivers work in synergy with each other, and companies can be motivated to procure responsibly by internal factors and external pressures. In particular, internal motivation drives companies to socially and environmentally responsible procurement (Ferri & Pedrini 2018, 886).

In addition to synergies between drivers, and barriers are also strongly interlinked. Factors perceived as barriers to responsible procurement often become drivers of responsible operations. Similarly, the lack of a driver or motivator can act as a barrier. For example, legislation related to responsible procurement can act as a driver for responsible procurement that comes from outside the company (Hoejmose & Adrien-Kirby 2012). In the absence of legislation, companies may perceive the pressure of it as an external barrier to responsible procurement (Lozano 2015, 40). Barriers of the responsible procurement are discussed in the section 2.3.

Internal drivers

Table 3 lists the internal drivers for responsible procurement found in the literature. Internal drivers are divided into four different categories by theme. These categories are financial, management, organizational, and resources. The breakdown helps to outline larger entities and their components.

Financial savings is one of the most common drivers of responsible procurement and many studies have concluded that responsibility does pay off financially (Giunipero et al. 2012). Financial savings can be achieved by recycling materials, reducing losses and emissions, and reducing fuel consumption. A company's financial position can improve because of responsible operations, as it has been shown to have a positive impact on corporate performance when customers, suppliers, and partners are interested in responsibility.

(Bowen et al. 2001) Ghadge et al. (2017) emphasizes the reduction of costs associated with losses, which play a significant role in the adoption of responsible procurement, with long-term economic benefits. According to Naidoo and Gasparatos (2018), the optimal use of resources and the focus on cost management increase business efficiency, which has direct positive impact on the company's profitability.

The second most common driver for responsible procurement was the commitment and support of top management. According to Giunipero et al. (2012), sustainable supply management and thus responsible procurement requires the vision and support of top management. The personal values of top management have also been seen to play a significant role in responsible procurement, as the actions and support of management also affect the ethical conduct of employees. Thus, a company cannot actively pursue sustainable change without the support of top management. (Carter & Jennings 2004; Kannan 2021) Park and Lennon (2006) also emphasize the role of top management in creating an ethical climate within an organization that has an impact on the nature and extent of corporate responsibility. Hereby, the awareness, support and priorities of top and middle management are important for the successful adoption of corporate responsibility practices (Björklund 2011). The commitment of top management also strongly suggests an open-minded approach to social and environmental issues, so that appropriate solutions can also be implemented to take account of responsibility (Oelze 2017). Leadership has also been seen as an important enabler of responsible procurement (Walker & Jones 2012; Dubey, Bag, Ali & Venkatesh 2013; Lozano 2015).

Because the company's culture is strongly related to the company's values and motivations, they are incorporated into the organizational theme. The company's cultural conditions highlight the topicality of sustainable development, and especially the existing culture in the company forms the basis for a commitment to responsibility (Oelze 2017). As stated earlier, the commitment and support of top management plays an important role in responsible procurement, it also has an impact on the company's internal operations. For example, support and commitment of top management will help build trust within the company and increase employee motivation and commitment (Lozano 2015). As a result, the moral and ethical motivation of the entire company increases, and it can also be seen as a driver for

responsible procurement. (Meehan & Bryde 2011; Leal Filho, Skouloudis, Brandli, Salvia, Avila & Rayman-Bacchus 2019) According to Whitehouse (2006), the moral concerns of individuals and management also have a significant impact on company values. By addressing concerns, a company can adopt better and more responsible practices that have a positive impact on the company's values.

Education and training are also internal drivers of responsible procurement. Bowen et al. (2001) study showed that responsibility-related training has a very large impact on, for example, the attitudes of procurement managers towards social and environmental responsibility in procurement. Capacity building related to responsibility has been also highlighted in the literature and this has been specifically linked to training for purchasing department personnel (Oelze 2017). However, the management of a company can only influence the motivation of its employees up to a certain point through training and their own example. In addition to the support of the organization, the internal motivation of employees arises from their own interest in responsibility and drives their operations towards more responsible sourcing. (Walker, Di Sisto & McBain 2008; Ferri et al. 2016)

Researchers have been paying special attention to the aspect of environmentally responsible procurement in research for a long time, and drivers of responsible procurement from this perspective are environmental issues due to lack of energy. Companies produce a lot of waste in their production and companies have a growing desire to reduce waste and adopt practices to achieve this goal. (Moktadir, Rahman, Jabbour, Mithun Ali & Kabir 2018) At the same time, companies are also driven by a desire to reduce resource use and increase reuse (McMurray et al. 2014). Indeed, the reuse and recycling of resources is encouraged in all efforts toward responsibility (Giunipero et al. 2012). Improved use of resources is one of the drivers and motivators for responsible procurement.

Table 3. Internal drivers to responsible procurement.

Internal drivers	Directional factor	Author(s) & year
Financial	Cost and financial savings	Min & Galle (2001); Hemingway & Maclagan (2004); Meehan & Bryde (2011); Giunipero et al. (2012); McMurray et al. (2014); Chkanikova & Mont (2015); Naidoo & Gasparatos (2018); Leal Filho et al. (2019)
	Long-term economic benefits and profitability	Ghadge et al. (2017); Moktadir et al. (2018); Naidoo & Gasparatos (2018)
	Expected business benefits	Bowen et al. (2001); Hemingway & Maclagan (2004); Dubey et al. (2013); McMurray et al. (2014); Vimal et al. (2019)
Management	Top management support	Carter & Jennings (2004); Park & Lennon (2006); Walker & Brammer (2009); Björklund (2011); Yen & Yen (2011); Giunipero et al. (2012); Ferri et al. (2016); Oelze (2017); Moktadir et al. (2018); Kannan (2021)
	Corporate management	Schneider & Wallenburg (2012); Walker & Jones (2012); Dubey et al. (2013); Lozano (2015)
Organizational	Organization's culture	Lozano (2015); Ferri et al. (2016); Oelze (2017)
	Training and education	Walker & Brammer (2009); Hoejmosse & Adrien-Kirby (2012); Ferri et al. (2016); Oelze (2017)
	Moral and ethical motivation in the organization	Whitehouse (2006); Walker et al. (2008); Meehan & Bryde (2011); Lozano (2015); Oelze (2017); Leal Filho et al. (2019)
	Company values	Park & Lennon (2006); Mont & Leire (2009); Luzzini et al. (2015); Sajjad et al. (2015); Vimal et al. (2019)
Resources	Improved resource utilization	Giunipero et al. (2012); McMurray et al. (2014); Moktadir et al. (2018)

The internal drivers of responsible procurement have been found a lot in the literature, but only those who have received the most attention and those who have been perceived as the most important in various studies have been taken into account in this study. For example, Lozano (2015) emphasizes the precautionary principle and risk avoidance as drivers of responsible procurement, Ghadge et al. (2017) highlights the power of investors to influence

a company's decisions, which also acts as a driver, and Whitehouse (2006) considers customer retention as a driver of responsible procurement. Nonetheless, these drivers have not received wider academic support. The following section discusses external drivers for responsible procurement.

External drivers

Table 4 lists the external drivers for responsible procurement. The drivers are divided into five categories by theme and these categories are market, regulations and laws, information, stakeholders, and reputation.

Companies are under market pressure from their stakeholders, mainly consumers and competitors. However, this pressure can act as an external driver for responsible procurement as it can help to gain a competitive advantage over other companies. Some companies have adopted responsible purchasing practices to meet consumer environmental requirements and save on costs. On the other hand, competition in the market is also putting pressure on companies to embrace green procurement. (Shen et al. 2016) Walker et al. (2008) in their study showed that competition is the main motivator for companies to engage in responsible procurement. Researchers also believe that companies can improve their competitiveness by developing their responsible procurement capabilities (Ruparathna & Hewage 2015).

There was a strong emphasis in the academic literature on the various regulations and laws that act as external drivers for responsible procurement. Regulation, as a contributor for environmental protection, has been a key factor since the early 1970s and mid-1980s. However, keeping pace with the scale, scope and implementation of ever-growing regulatory systems has meant higher costs for businesses. (Azapagic & Perdan 2000) In other words, laws and regulations act as both an external driver and an external barrier to responsible procurement. For this reason, results on the effects of regulation on procurement have been mixed (Carter & Jennings 2004). However, many studies have found a link between regulation and responsible procurement (Meehan & Bryde 2011; Giunipero et al. 2012;

Vimal et al. 2019). According to Kannan (2021), it is particularly important for companies to invest in sustainability and focus on meeting the requirements of stakeholders to comply with regulations, social commitments, and the requirements of their customers to be responsible. Indeed, at present, it can be said that efforts to sustain sustainable development are driven by compliance with government regulations (Giunipero et al. 2012). Overall, regulators can encourage organizations to behave in a certain way and skillful policymaking can manage economic risks (Khidir ElTayeb et al. 2012; Vimal et al. 2019). The ISO 14000 standard and the Global Reporting Initiative (GRI) can also act as drivers for companies. They are complementary initiatives and by incorporating them into the strategy, it can help companies improve transparency when reporting on responsibility. (Naidoo & Gasparatos 2018)

Companies are receiving increasing attention from a variety of stakeholders about their performance, with a particular focus on social factors such as the conditions of employees, the social profile of their suppliers and the communities in which they operate (Mont & Leire 2009, 388). External stakeholders include, for example, the media, non-governmental organizations (NGOs), competitors, consumers, investors, and the government (Paulikas & Brazdauskaitė 2010). In particular, the media and consumers have contributed to the continuous improvement of companies' purchasing practices and have emerged as key stakeholders capable of putting significant pressure on companies. (Carter & Jennings 2004; Khidir ElTayeb et al. 2010; Paulikas & Brazdauskaitė 2010; Bjöklund 2011; Lozano 2015; Kannan 2021) As public awareness of environmental issues has increased, it has made companies even more vulnerable. Increased awareness can have an impact on financial performance, as a larger audience is more aware of what is happening in the world, which means that previously unseen activities are now much more subject to public scrutiny. (Azapagic & Perdan 2000) Kannan (2021) points out that responsibility decisions are increasingly based on the demands and pressures of stakeholders and that companies are dependent on the sustainability of their suppliers because these decisions have the potential to influence upstream and downstream members.

An external driver for responsible procurement is also collaboration with suppliers. Large & Gimenez Thomsen (2011) point out that green cooperation with a supplier has a positive

effect on environmental protection and performance. Cooperation with key suppliers has been seen as the most promising way to enhance corporate responsibility, and good collaboration practices can enable effective SSCM that reduces barriers to policy implementation. Mutual understanding and trust between parties of collaboration are also emphasized as enablers of responsible procurement. (Oelze 2017)

Table 4. External drivers to responsible procurement.

External drivers	Directional factor	Author(s) & year
Market	Market pressure and demand	Dubey et al. (2013); Chkanikova & Mont (2015); Shen et al. (2016)
	Competitive advantages	Walker & Jones (2012); Ruparathna & Hewage (2015); Shen et al. (2016)
Regulations and laws	Regulations and legislation imposed by the government and other parties and compliance of these	Azapagic & Perdan (2000); Min & Galle (2001); Carter & Jennings (2004); Walker et al. (2008); Walker & Brammer (2009); Khidir ElTayeb (2010); Björklund (2011); Meehan & Bryde (2011); Giunipero et al. (2012); Walker & Jones (2012); Dubey et al. (2013); Chkanikova & Mont (2015); Lozano (2015); Ruparathna & Hewage (2015); Naidoo & Gasparatos (2018); Leal Filho et al. (2019); Vimal et al. (2019); Kannan (2021)
	ISO 14000	Walker & Brammer (2009); Giunipero et al. (2012); Vimal et al. (2019)
Information	Increased public awareness	Azapagic & Perdan (2000); Lozano (2015)
Stakeholders	Stakeholders' pressure and expectations	Carter & Jennings (2004); Whitehouse (2006); Mont & Leire (2009); Khidir ElTayeb et al. (2010); Paulikas & Brazdauskaitė (2010); Björklund (2011); Meehan & Bryde (2011); Yen & Yen (2011); Walker & Jones (2012); Dubey et al. (2013); Lozano (2015); Sajjad et al. (2015); Naidoo & Gasparatos (2018); Leal Filho et al. (2019); Kannan (2021)
	Collaboration with stakeholders	Large & Gimenez Thomsen (2011); Ferri et al. (2016); Oelze (2017)
Reputation	Maintaining a good reputation	Whitehouse (2006); Mont & Leire (2009); Björklund (2011); Meehan & Bryde (2011); Chkanikova & Mont (2015)
	Brand value	Chkanikova & Mont (2015); Vimal et al. (2019)

The last significant external driver on responsible procurement is reputation and maintaining it. Reputation can be seen as both an internal and external driver of responsible procurement, as it is on the one hand the driving force of an organization but is influenced by forces from outside of the company (Mont & Leire 2009). In classification of this thesis, it is divided into external drivers precisely because external forces affect the reputation and image of a company and their maintenance. Reputation and corporate image are linked to competition in the industry. The performance of competing firms is a powerful external driver because firms do not want to be compared to their competitors as less responsible actors. (Walker et al. 2008) Maintaining and improving a reputation ensures a company's survival (Whitehouse 2006). If a company's reputation and image are hit, it can negatively affect a company's performance (Maloni & Brown 2006; Sajjad, Eweje & Tappin 2015). Brand value and product image have also been seen as critical drivers of responsible procurement (Björklund 2011; Vimal et al. 2019). The following section presents the barriers to responsible procurement.

2.3 Barriers of responsible procurement

This section discusses the barriers to responsible procurement found in the academic literature. Barriers are factors that limit or prevent responsible procurement. It is sometimes difficult for companies to change their strategic and organizational approach to adopting responsible procurement, and companies often face resistance to change in such cases. For this reason, it is particularly important for companies to identify barriers to responsible procurement, both within their own organizational boundaries and among their suppliers. (Appolloni, Hun, Jia & Li 2014, 126) According to Zhu & Sarkis (2006), the barriers faced by companies to responsible procurement vary by industry.

Internal barriers

Table 5 lists the internal barriers for responsible procurement. The barriers are divided into seven categories by theme and these categories are financial, information, management, strategy, resources, purchasing related, and organizational category.

Just as financial resources can act as internal drivers, they can be an internal barrier to responsible procurement. Changing business practices is not a simple project and often requires a large investment from the company, and this is also true in the transition to responsible procurement (Min & Galle 2001). The incorporation of modern technologies into the business or the use of high-quality raw materials are the main reasons why financial costs are perceived as barriers to responsible procurement (Da Costa & Da Motta 2019). The company's financial pressure to adopt more responsible procurement is a major barrier. There is often a perception in companies that buying more sustainable products and services comes with higher prices, and especially when the budget is already tight, it is difficult to find financial resources for these purchases while realizing that it is necessary to provide value for money. (Walker & Brammer 2009) Fear of rising costs and pressure to reduce costs is also seen as a barrier to responsible procurement and its promotion (Varnäs et al. 2009; Walker & Jones 2009; McMurray et al. 2014).

Incomplete or scarce information is one of the factors hindering the responsibility of procurement. The lack of environmental information and considerable uncertainty in the interpretation and application of various procurement laws are sometimes perceived as a major difficulty in integrating more responsible purchasing criteria (Boström & Karlsson 2013). When companies face uncertainty and difficulty adopting responsible practices, it often leads to poorer performance, and it is difficult for such companies to find a place in the future because a sustainable supply chain is one of the most important tools in the competition (Türk & Çelik 2019). Leal Filho et al. (2019) highlight the fact that many companies are unfamiliar with the basic principles of sustainable sourcing, such as life cycle costing and external impact assessment, which inevitably leads to problems or at least higher costs. Buyer awareness of these issues is therefore needed (Walker & Jones 2012). Lack of expertise or awareness of environmental issues, for example, also affects the implementation and development of sustainable development strategies at the beginning of the supply chain, where problems often occur (Chkanikova & Mont 2015). For these reasons, lack of awareness and knowledge are internal barriers to responsible procurement.

One internal barrier to responsible procurement is management's lack of commitment and support in embracing responsibility. Management plays a significant role in disseminating information to all members of the organization and especially in changes when considering, for example, what systems are being developed and implemented. (Mont & Leire 2009) The role of senior management is to guide sustainable development and management goals and objectives should be consistent with each other. If management is not committed or does not provide support in pursuing responsibility, it will signal the company's poor values and negligence. (Giunipero et al. 2012) Also, strategical goals can be a barrier to responsible procurement. For example, if a company's short- and long-term strategic goals conflict, it can be a significant barrier to responsible procurement (Giunipero et al. 2012). Also, the difficulty of defining a sustainable development strategy (Chkanikova & Mont 2015), lack of strategic goals and targets (Hasselbalch et al. 2014), and lack of long-term planning and view (McMurray et al. 2014; Da Costa & Da Motta 2019) act as internal barriers to the company. Moreover, it is not enough for a company to have a strategy for SCM, but this strategy should be in line with the rest of the company's strategy (Walker & Jones 2012). Above all, responsible procurement requires commitment at all levels of society, as well as a strategy to implement them (McMurray et al. 2014).

The ability of organizations and industries to integrate responsibility perspectives is affected by a lack of resources that can act as a barrier to responsible procurement (McMurray et al. 2014). Paulikas & Brazdauskaitė (2010) points out that, like any innovation, adopting responsible business practices requires adequate resources, both in terms of staff and money. With digitalization, companies will have to adopt more technology and develop existing ones, but in particular the lack of human resources and technical expertise can be a barrier to the sustainability of supply chain management (Türk & Çelik 2010). The lack of a company's human resources can be seen, for example, in the fact that the company does not have an understanding of implementing responsible procurement and that instead of responsibility, the focus is only on reducing costs (Min & Galle 2001). Better adoption of responsible procurement would be facilitated by appropriate guidance, awareness and availability of resources that would improve the efficiency and transparency of the company and the achievement of goals (McMurray et al. 2014).

Procurement arrangements and practices can also be a barrier to responsible procurement, and this may be due to a lack of resources. For example, if procurement tasks are decentralized and there is not enough open information exchange and communication between teams or procurers, it can be challenging to monitor the implementation of responsibility in all procurements. (McMurray et al. 2014) Leal Filho et al. (2019) took into account the problems of decentralized procurement in their study and found that it was related to a lack of departmental coordination or to the fact that there is no department in the company to guide procurement issues. Sometimes guaranteeing decent quality for the consumer can also be a barrier to responsible procurement because companies want to offer value for money. However, quality assurance depends on many factors, so it is not always easy. (Walker & Brammer 2009).

In some companies, culture can be a barrier to responsible procurement and in such situations, it is often highly resistant to change, and old habits are deeply rooted in the existing culture. Fear of change and a negative attitude towards organizational culture make it difficult to change for the better. (Walker & Brammer 2009) According to Hasselbalch et al. (2014) negative attitudes towards responsible procurement may be due to unresolved political issues, which are also often perceived as difficult to adopt. Organizational culture should also offer significant opportunities to reduce the impact of adverse social and environmental issues on business (McMurray et al. 2014), but it does not always provide a willingness for acquisition professionals to refine traditional perceptions of purchasing more responsibly (Da Costa & Da Motta 2019).

Responsible procurement requires skilled procurers behind purchases, which emphasizes the need for training related to responsibility. However, training staff and thus building the necessary skills can be costly (Hasselbalch et al. 2014), so a lack of training has been identified in the literature as one of the major barriers to pursuing responsible procurement. Organizations may have sophisticated and complex systems in place, but very little knowledge and understanding of them, and training and education is therefore important in companies, especially when it comes to pursuing responsibility, and the lack of these is a significant factor. When the organization has skilled employees, the full benefits of the systems are realized. (Mont & Leire 2009)

Table 5. Internal barriers to responsible procurement.

Internal barriers	Directional factor	Author(s) & year
Financial	Increase of costs	Walker et al. (2008); Varnäs et al. (2009); Ershadi et al. (2012); Guenther et al. (2013); McMurray et al. (2014); Hasselbalch 2015; Oelze (2017); Da Costa & Da Motta (2019); Simion et al. (2019)
	Lack of financial resources	Walker & Brammer (2009); Chkanikova & Mont (2015); Türk & Çelik (2019)
	Financial pressure	Walker & Brammer (2009); Walker & Jones (2009)
Information	Lack of knowledge	Mont & Leire (2009); Varnäs et al. (2009); Walker & Jones (2012); Boström & Karlsson (2013); Da Costa & Da Motta (2019); Leal Filho et al. (2019); Türk & Çelik (2019)
	Lack of awareness	Walker & Brammer (2009); Ershadi et al. (2012); McMurray et al. (2014); Sajjad et al. (2015); Leal Filho et al. (2019)
Management	Lack of top management support and commitment	Min & Galle (2001); Mont & Leire (2009); Paulikas & Brazdauskaitė (2010); Giunipero et al. 2012; Walker & Jones (2012); McMurray et al. (2014); Da Costa & Da Motta (2019)
Strategy	Lack of short term and long-term goals	Giunipero et al. (2012); Hasselbalch et al. (2014); McMurray et al. (2014)
	Strategical difficulties	Walker & Jones (2012); Chkanikova & Mont (2015); Da Costa & Da Motta (2019)
Resources	Lack of resources	Walker & Brammer (2009); Paulikas & Brazdauskaitė (2010); McMurray et al. (2014); Leal Filho et al. (2019)
	Resource costs	Min & Galle (2001); Walker & Jones (2012)
	Lack of structures and processes	Oelze (2017); Da Costa & Da Motta (2019); Türk & Çelik (2019)
	lack of technical competence	Hasselbalch et al. (2014); Chkanikova & Mont (2015)
Purchasing related	Decentralized procurement	Walker & Brammer (2009); McMurray et al. (2014); Leal Filho et al. (2019)
	Quality criteria	Walker & Brammer (2009); McMurray et al. (2014)
Organizational	Culture and negative attitude towards responsibility	Walker & Brammer (2009); Paulikas & Brazdauskaitė (2010); McMurray et al. (2014); Sajjad et al. (2015); Da Costa & Da Motta (2019)
	Lack of training and education	Mont & Leire (2009); Hasselbalch et al. (2014); Da Costa & Da Motta (2019)

Other internal barriers to responsible procurement include organizational reluctance (Walker & Jones 2012), cognitive limitations, and difficulties in developing deep collaboration with suppliers (Boström & Karlsson 2013). All of these are tied to bigger problems emanating from within the company and have not received much support in the academic literature.

External barriers

Table 6 summarizes the external barriers to responsible procurement that have been supported in the literature. External barriers are divided into three categories by theme and these categories are regulations and laws, suppliers, and market and relationships.

The first external barrier to responsible procurement is regulations and laws. With globalization, it is possible to work and collaborate with multiple suppliers simultaneously, but due to the global nature of supply chains, they often become long and multi-level. This can therefore be a barrier to the responsible procurement of the buyer company, as the first level supplier is often dependent on a multi-level supply chain in its own production and such a structure is difficult to deal with, which also complicates purchasing. Suppliers on different continents often also have different sustainability standards, which adds challenges to supply chain construction and especially purchasing. Compliance with suppliers' standards is almost impossible to monitor and often the standards set by the buyer company for their suppliers do not work because suppliers do not want to limit their own supply options. (Giunipero et al. 2012) The lack of harmonized regulation within and between countries poses additional challenges to the implementation of sustainability, as, for example, product safety and labeling requirements differ, making the lack of regulation a major barrier (Chkanikova & Mont 2015). According to Paulikas & Brazdauskaitė (2010), standards of responsible procurement, which are internationally recognized, promote the development of companies' purchasing practices and because of that, their lack can be a barrier.

The lack of government support has also been seen as a major barrier to responsible procurement. The government should provide incentives for companies to follow environmentally friendly practices and policies. (Türk & Çelik 2010) An incentive policy to

adopt responsible practices is considered a valid and direct method to inciting companies to act more responsible way (Da Costa & Da Motta 2019). Ferri et al. (2016) also raise the complexity of regulatory regimes as one barrier while McMurray et al. (2014) emphasize the lack of guidance. Legislation can also be underdeveloped, which equally serves as a barrier to responsible procurement (Ghadge et al. 2017).

It may be impossible for an organization to ensure the responsibility of its suppliers and subcontractors at different levels of the supply chain. As a result, it is difficult for an organization to detect whether suppliers are using, for example, child labor or slavery, whether they have poor working conditions, or whether they are paying lower wages to their employees. (Mont & Leire 2009) In other words, the irresponsibility of suppliers is difficult to notice and is therefore one of the barriers to responsible procurement. Lack of supplier's information can also be a barrier. For example, if a supplier does not know enough about responsibility or does not know how to implement it in their own operations, it is a problem for the buyer company. (Min & Galle 2001; Paulikas & Brazdauskaitė 2010) However, the pursuit of responsibility requires that both buyers and suppliers have the necessary information, so a lack of information at any stage in the supply chain hinders a company's ability to address sustainability issues more effectively. Information asymmetry is important to minimize at all stages of the supply chain. (Oelze 2017) Other barriers related to suppliers include lack of supplier capacity to deliver the desired product or service (Sajjad et al. 2015), insufficient supplier commitment (Walker & Jones 2012), supplier code of conduct and its use (Mont & Leire 2009), poor availability of suppliers (McMurray et al. 2014), and lack of supplier's resources (Giunipero et al. 2012).

Last external barriers are related to market and relationships. Sometimes the lack of alternatives to traditional business practices can undermine a company's ability to promote high socially and environmentally responsible standards. (Ferri et al. 2016) Another barrier to responsible procurement in this category relates to cultural differences between countries and regions. Cultural differences can lead to contradictions and differences in expectations between producer and consumer markets. There are also differences in the style of leadership between countries, for example in Asia people like to solve problems as they arise, and the strategy suffers from a lack of planning. Cultural differences in management styles may limit

the ability to develop long-term partnerships with suppliers to achieve responsible procurement. (Mont & Leire 2009) The pursuit of long-term co-operation may also be hampered by the different language spoken in the countries, making it difficult to communicate, for example, about requirements between the parties. (Walker & Jones 2012)

The lack of a market structure for environmental practices has also been seen as one of the concerns for responsible procurement. The smallest companies in particular may not be able to afford to finance the investments needed to make changes in the organization in pursuit of responsibility. (Ghadge et al. 2017) Other market barriers can also act as barriers to responsible procurement (Hasselbalch 2015).

Table 6. External barriers to responsible procurement.

External barriers	Directional factor	Author(s) & year
Regulations and laws	Lack of regulations and standards	Paulikas & Brazdauskaitė (2010); Giunipero et al. (2012)
	Lack of government support and incentives	Chkanikova & Mont (2015); Sajjad et al. (2015); Da Costa & Da Motta (2019); Türk & Çelik (2019)
	Legislation	Chkanikova & Mont (2015); Oelze (2017); Simion et al. (2019)
Suppliers	Supplier's lack of knowledge	Min & Galle (2001); Paulikas & Brazdauskaitė (2010); Oelze (2017)
	Supplier's irresponsibility	Walker et al. (2008); Walker & Brammer (2009); Ferri et al. (2016); Moktadir et al. (2018)
	Other supplier's issues	Mont & Leire (2009); Giunipero et al. (2012); Walker & Jones (2012); McMurray et al. (2014); Sajjad et al. (2015)
Market and relationships	Lack of alternatives	Paulikas & Brazdauskaitė (2010); Guenther et al. (2013); Ferri et al. (2016)
	Cultural barriers	Mont & Leire (2009); Walker & Jones (2012)
	Market barriers	Hasselbalch (2015); Ghadge et al. (2017)

Other external barriers to responsible procurement may include, for example, the lack of sustainable products (Chkanikova & Mont 2015), competitiveness (Ferri et al. 2016) and competitive pressure (Oelze 2017), and lack of power to affect the supplier's actions (Chkanikova & Mont 2015)

2.4 Responsible procurement in retail sector

The retail sector distributes products to consumers from production, industry and abroad through various wholesalers or importers. Retailing can be done either physically in-store or electronically via the Internet. In 2019, global retail market sales were close to \$25 trillion and are estimated to grow by two trillion by 2022. (Sabanoglu 2022) Speaking of retail, we can say that it is a very large and significant part of the global economy as well as the local economy. According to Wilson (2014, 432) retailers have a significant impact on sustainability issues due to their role in the supply chain.

As retail is an important part of society and national economy, its activities can be viewed from many different perspectives. From the point of view of the national economy, retail is a major player because it is a very stable industry. The value added of retail trade has developed steadily in the 21st century and the volume of value added has increased by about 45% until 2013 among Finnish retail companies. (Santasalo & Koskela 2015, 14-15) The annual change in retail trade turnover in 2020 was 4.1% higher than in the previous year, while the cumulative annual change in turnover between January and May 2021 was 6.1%. Developments during the pandemic have been expected, but there are still questions about the effects of pandemic time on people's consumption habits, such as cooking, outdoor activities and sports, or home decor. (Kurjenoja 2021)

Retail sector has a significant role and financial clout as well as the resources to meet the challenges of responsibility successfully (Dal Mas et al. 2021, 1). Azapagic and Perdan (2000, 244) believe that the private sector has an important role to play as a social actor and in identifying and implementing sustainable solutions. Naidoo and Gasparatos (2018, 127) also highlight the economic leverage and resources of retail in matters of sustainable

development, but they point out that environmental impacts must not be completely ignored. These include the effects of production and operations. Retailers have also been said to be active intermediaries between primary producers, manufacturers, and consumers and they can strengthen sustainable consumption and production through their own actions, partnerships with suppliers, and day-to-day interaction with consumers (Comfort, Jones & Hiller 2009, 816; Wilson 2014, 432; Bradley 2016, 153).

While the retail sector plays an important role in assuming responsibility and as a key factor in raising awareness and engaging both consumers and employees (Dal Mas et al. 2021, 8), it has significant direct and indirect environmental impacts due to its operations, production, and other ancillary activities (Naidoo & Gasparatos 2018, 127). For example, the use of natural resources, energy, and the resulting greenhouse gas (GHG) emissions, waste management, and the impacts of supply chain and transportation are factors that should be considered for sustainability (Palm, Cornell, Häyhä 2021, 664).

Retailers use a lot of energy in their operations, and this is often seen as a big expense in the operations of companies. Energy is used, for example, for lighting, heating, ventilation, and cooling. (Naidoo & Gasparatos 2018, 129-130) Park et al. (2021, 658) states that waste management covers the treatment of solid waste and is therefore linked to the consumption of materials. Companies should find ways to minimize waste generation, and these include waste reuse and recycling. Choosing the right products can also have an impact on the environment. Retailers are increasingly looking to buy greener products and materials because they can lower operating costs, increase customer loyalty, and improve supply chain security. (Palm et al. 2021) To also avoid bad reputation, companies often choose greener products, and while retailers are not directly affected by production, they are nevertheless responsible for manufacturing and distributing products in a socially responsible manner (Park & Lennon 2006, 230).

With increased and more complex supply chains, transportation has increased significantly. Although transportation is now a key factor in retail, the impact of its pollution cannot be denied. Indeed, transport has been seen as the most polluting activity in the world, releasing a lot of harmful GHG emissions into the atmosphere. The promotion of green modes of

transport is therefore important. (Naidoo & Gasparatos 2018, 131) Park et al. (2021) argues that responsible procurement of goods and services has an impact on local communities, the environment, and the economy. For example, imports and distribution can play a major role in generating GHG emissions, especially because of transport and other logistics activities. (Park et al. 2021)

In addition to the fact that retail is economically significant and that environmental issues and their impacts are considered, emphasis must also be placed on social responsibility. Retail stores, and especially grocery stores, buy a lot of products for their product ranges that are produced abroad. In international procurement in particular, the emphasis on social responsibility is emphasized. For example, the tuna industry in Thailand is the largest in the world and most of the products are exported to Western markets. However, the fishing industry has often come to the fore due to violations of workers' human rights. According to many studies, the fishing industry exploits, for example, victims of human trafficking, violates workers' rights and exploits child labor. (Vartiala, Purje, Hall, Vihersalo & Aukeala 2013, 25) The same is unfortunately true for many other products or industries, such as cocoa production, the pineapple industry, and the textile industry, just to name a few, where social responsibility issues play a major role. According to Chkanikova (2016, 487), companies are working harder to increase their own private label products, which will shorten supply chains and ensure a more direct link with primary producers, which will improve communication and the traceability of environmental and social responsibility.

The role of procurement professionals and purchasing managers in procurement is also increased. According to Zsidisin and Siferd (2001, 62), purchasing managers are now in a better position than ever to change procurement procedures and material selection in a more responsible direction. Purchasing personnel can strongly influence the materials purchased through price, quality, delivery, and other criteria. Based on this, purchasers make choices at the expense of the future, influencing their disposal and recycling even before purchase. In addition, procurement professionals have a major influence on a company's equipment choices, which in turn are tied to energy use, emissions, and other areas of production and delivery. (Zsidisin & Siferd 2001, 62) It is thus clear that with the responsibility, the role of procurement personnel in the company is also emphasized and purchasing has become more

strategic. Indeed, retail procurement staff have a strong role to play in ensuring the availability and supply of responsible products, enabling them to best meet consumers' expectations of a responsible range of products (Bradley 2016, 154).

The selection in the stores is based on the needs of consumers and the expectations of customers to the chain. In Finland, the total selection of retail stores consists of the chain's basic selection and store-specific, complementary product selection. The retail chains and products to be procured are different and therefore the process of purchasing decisions may also vary depending on the company and product group. Often, sourcing is done through different supply chains and international sourcing companies, while direct sourcing from primary producers is less common. (PTY 2022)

3 Methodology

This chapter provides information on the research methodology used in the thesis. In the first section research methods are presented in general, the second and the third sections present the data collection methods of the study, the fourth sections provide data analysis methods, and the fifth section introduces overview of the data. In the sixth section the reliability and validity of the research are pondered.

3.1 Research methodology

As previous studies have shown, the most common research method for researching this topic has been qualitative research methods, such as interviews. Previous studies are summarized in table 1, which also shows the method used in the study. Hasselbalch et al. (2014, 368) therefore suggest that the logical continuum for these studies is to increase sample size and incorporate quantitative research techniques. According to Ketokivi & Choi (2014, 233) a quantitative research method can be defined as “an approach that examines concepts in terms of amount, intensity, or frequency”. Quantitative research can be used to clarify issues related to numbers and percentages, and the research can be used to map the existing situation (Heikkilä 2014, 15), which is the aim of this study.

However, this study is not only a purely quantitative study, but also includes qualitative research methods. Qualitative research collects data that seeks to describe the subject under study rather than measure it. It can be said to be an approach that allows people’s experiences to be studied in detail using different research methods. (Hennink, Hutter & Bailey 2020, 10) Qualitative research also emphasizes words rather than frequencies and distributions when data are collected and analyzed (Spratt et al. 2004, 10).

Hereby, a research method of this study can be said to be a mixed method study because both quantitative and qualitative methods are used. Often such study can also be referred to as multi-method research, but it differs from mixed method research in that multi-method research uses several different methods or materials within a qualitative or quantitative

setting, while mixed method research involves combining qualitative and quantitative data (Seppänen-Järvelä et al. 2019). Indeed, mixed method research has gained a well-established position in a number of disciplines and is increasingly used due to the diversity of research questions (Sormunen, Saaranen, Tossavainen & Turunen 2013, 312).

Mixed method research is often combined with triangulation, which means combining more than one material, researcher, theory, or method in the same research entity (Sormunen et al. 2013, 314). Four main types of triangulations can be distinguished: material triangulation, researcher triangulation, theoretical triangulation, and method triangulation. Often, different forms of triangulation are a time-consuming and resource-intensive way of doing research, but it provides a great opportunity to expand and deepen the knowledge available about the subject. Because triangulation is perceived as a laborious research method, it is often not seen in such theses. (Saaranen-Kauppinen & Puusniekka 2006)

The advantages of mixed method research are the increase in the validity of the study because the subject of the study is approached by different methods and not only by one setup. According to Ruparathna and Hewage (2015, 307), the mixed method can be used to gain a deeper understanding of the phenomenon under study. Combining quantitative and qualitative methods also provides more comprehensive answers to research questions as the limitations of one approach are removed (Spratt et al. 2004, 6; Seppänen-Järvelä et al. 2019, 332).

In mixed method studies, it is common for different methods to be combined. This study uses semi-structured interviews as well as a quantitative survey. Also important in mixed method research is how the methods are combined. Data can be collected concurrently by all methods or alternatively at different times if the aim is to use one method as a basis for another. In this study, data are collected concurrently, making them like two parallel studies and are only brought together after the data have been analyzed. (Spratt et al. 2004, 7) According to the mixed method study, quantitative data provide an overview of the study and its problem, while qualitative data look more deeply at the respondent's perceptions (McMurray et al. 2014, 197). This provides support and a better understanding of the primary purpose of the study. In the next sections data collections methods are presented.

3.2 Questionnaire

One part of the data used in this study consist of survey responses from companies in the Finnish retail sector. Hasselbalch et al. (2014, 368) suggest that conducting a questionnaire is the best technique to reach the desired target population. Conducting the questionnaire is also a practical and inexpensive way to reach a wider range of respondents (Park & Lennon 2006, 236). The questionnaire was created using the Qualtrics survey platform and sent to target companies via email. This involved the assumption that respondents have regular access to email and that they are familiar with the principles of online questionnaire. A reasonable amount of time was allowed to reply to the questionnaire, and it was also noted that answering the questionnaire itself would not take much time. In addition, the questionnaire was conducted in Finnish in order to have the lowest possible response threshold and thus improve the response rate. The response threshold was also lowered to allow respondents to complete the survey anonymously.

The survey was accompanied by a cover letter asking companies to forward this message to the right party if the company's email address was a universal address. Walker and Brammer (2009, 131) described this kind of data collection as a "snowballing" sampling strategy. When there are a relatively small number of suitable respondents for research in a particular field, it would be important to have a person with little knowledge of that field and its subject. (Walker & Brammer 2009, 131)

The questionnaire consisted of five sections, which are background information, responsible procurement, drivers of responsible procurement, barriers of responsible procurement, and free word. There were a total of 50 statements in the questionnaire, which were divided into five sections. All questions were answered on a 5- or 7-point Likert scale. Question 9 asked how the respondent agrees with the statements (1 = strongly disagree - 5 = strongly agree). Questions 10, 11, 12, and 13 had a 7-point Likert scale and asked how much a particular factor has affected their responsible procurement. The answer options were between 1 = not at all and 7 = very much. Questions 1-8 were descriptive and categorical questions that increase the reliability of the study. The last question asked for feedback on the survey or

respondent was able to provide other information related to the study. The questionnaire is available in appendix 1.

The statements in question 9 are from Hasselbalch et al. (2014) and Panapanaan et al. (2003) studies. The statements relate to responsible procurement and describe the current state of responsible procurement in the respondent's organization. The statements in questions 10, 11, 12, and 13 relate to drivers and barriers to responsible procurement. The statements in the questions are based on previous research and their findings, so they are based on many different studies. The studies underlying the statements are summarized in tables 3, 4, 5, and 6.

The questionnaire was sent to 490 potential respondents, whose contact information was collected from the Finnish Commerce Federation website and other public sources. The respondents represented employees in the retail sector. Gathering contact information took about a week and was laborious. Retail companies and their contact details were collected in a slightly larger sample size than necessary to ensure the adequacy of the sample size for statistical analysis. The questionnaire failed to be sent to a total of three email addresses and 24 messages were "bounced" due to an invalid or non-existent email address, the firewalls on the recipient's server, or, for example, that the respondent's mailbox is full.

The survey was open seven weeks after it was sent, so respondents had plenty of time to respond to the survey. A total of 3 reminder messages were sent and attempts were also made to reach respondents through various unions, headquarters employees and email addresses for the media. The link of the questionnaire was also published to the LinkedIn. A total of 39 responses were received, but only 33 of them were usable. The response rate remained low, but it was to be expected. Indeed, according to many studies, there is a low response rate to questionnaire problems today, as companies receive a lot of different surveys to answer (Michaelidou & Dibb 2006; Meehan & Bryde 2011; Leal Filho et al. 2019). In addition, because qualitative data is also utilized in this study, a low response rate does not bother too much. However, it must be remembered that the more answers there are, the more reliable the statistical analysis, so the results of the analysis in this study are only indicative.

3.3 Interviews

Another part of data used in this study was collected through interviews. In this study, semi-structured interviews were used that allow for extensive study of the topic (Ruparathna & Hewage 2015, 308). The idea of semi-structured interviews is that the questions are prepared in advance and presented to the interviewee in more or less the same format, but the way to answer is free. In addition, the semi-structured interviews make the interviews more flexible, as the interviewer can change the order of the questions and ask more specific questions if needed. (Hyvärinen, Suoninen & Vuori 2021) In a semi-structured interview, the interviewer also has the opportunity to ask additional questions outside the original interview questions, allowing for a deeper understanding of the phenomenon (Hennink et al. 2020, 41).

The interviews were conducted as individual interviews through the Microsoft Teams communication platform in April 2022. The duration of the interviews varied between 19 minutes and 39 minutes. Interviews were conducted with a total of five people from four different companies. The persons responsible for the procurement of their own company or the CEOs were interviewed. Interview questions were sent to all interviewees in advance so that they could better prepare for the interview. Thus, the interviewees were able to get acquainted with the questions before the interview and get to know the topic properly. They were also able to think about the answers in advance.

The interviews were conducted in Finnish, which was the mother language of all interviewees. This guaranteed easiness and freedom of communication. Before going through the questions, all the interviewees were informed about the topic of the research, the recording of the interview, the anonymousness of the answers and the completion and availability of the study. All questions were asked of the interviewees in the order in which they appear on the interview questionnaire. This form can be found in appendix 2. Interviewees were free to share anything they thought about the questions without interruption, but additional specific questions were also asked.

The interview questionnaire consisted of five different sections, which were general questions, responsible procurement, drivers of responsible procurement, and barriers of responsible procurement. In addition to these, there was a so-called free word section, i.e., the interviewee was allowed to talk more about their company or their responsible purchases. The first section dealt with general issues such as the interviewee's position in the company, the company's industry, and the amount of responsible procurement. In the second theme, the interviewee was allowed to talk about responsible procurement in their company, the purpose of which was to get an overview of responsible procurement in the target company. The third section reviewed drivers related to responsible procurement and the fourth the barriers. The sections on drivers and barriers were intentionally kept short and only a few questions were asked to make it easy for the interviewee to answer these. All in all, the interview questionnaire was built according to the structure of the thesis and the questions were formulated to be clear and easy to understand.

3.4 Data analysis methods

Because two types of data are used in this study, different methods of analysis are used. In a mixed method study, data are often processed using the techniques commonly used to analyze this data. That is, quantitative techniques are used to analyze quantitative data and qualitative techniques are used to analyze qualitative data. It is also characteristic of this research method to combine the results at the interpretive level so that each data remains analytically separate. (Sandelowski 2000, 252) In this study, quantitative data are analyzed by statistical methods using factor and linear regression analysis and qualitative data are analyzed by content analysis.

Regression analysis can be defined as a statistical method that seeks the best possible combination of independent variables when predicting one dependent variable (Heikkilä 2014, 222). The dependent variable of this study is responsible procurement and independent variables are different drivers and barriers. More specifically, regression analysis is used to examine the relationship of one or more independent variables to the dependent variable. One of the advantages of regression analysis is that it can be used to study the relationship of several independent variables to a dependent variable at the same time, so that the results

show the relationship of a single independent variable to a dependent variable when other variables included in the model are taken into account. What is important in constructing a regression model and interpreting the results is that they are based on previous theory and research. The researcher must be well acquainted with the theory because the variables in the model are chosen on the basis of theoretical understanding, because the regression model does not tell the direction of the effect relationship, i.e., whether the variable X affects the variable Y or vice versa. (Kaakinen & Ellonen 2021)

The purpose of linear regression is to find, as the name implies, a linear relationship between a dependent variable and one or more independent variables (Yan & Su 2009, 41). Thus, linear regression analysis can be performed with one or more independent variables. If a connection is found between the variables, it can be described by a so-called regression line that descends or rises. The regression line indicates the direction and strength of the relationship between the variables. If the regression line is descending, the variables have a negative relationship, and if it rises, they have a positive relationship. The stronger the change in the connection, the stronger the connection between the variables. (Kaakinen & Ellonen 2021) A model's estimation method is always needed in linear regression analysis. In this study the ordinary least squares method (OLS) is used. The OLS method minimizes the squares of the distance between the observations and the regression line, and the vertical distance from the regression line to each observation point is a residual term. (Yan & Su 2009)

As previously mentioned, the qualitative data of this study are analyzed by content analysis. Content analysis is a research method that can be used to draw reproducible and valid conclusions about the relationship between research material and its context (Graneheim, Lindgren & Lundman 2017). The analysis can be done systematically and objectively (Tuomi & Sarajärvi 2018). Content analysis is a tool for generating new information, new insights and revealing hidden facts. The main areas of content analysis are verbal, symbolic, or communicative content. Based on this, the material to be studied can be anything, as long as it has a connection with the phenomenon under study and can be compiled, detected and analyzed. (Graneheim et al. 2017) Content analysis can also be considered as a basic method of qualitative research and can be used in all forms of qualitative research. The purpose of

the analysis is to obtain a concise and clear description of the phenomenon under study. (Tuomi & Sarajärvi 2018) However, concise, and clear material should be compiled so that meaningful information is not lost (Eskola & Suoranta 1998). As the purpose of the analysis is to increase the value of information, it is justified to choose content analysis as a method of analysis when the aim of the study is to find drivers and barriers in a less studied industry and to target the findings in a specific industry. (Tuomi & Sarajärvi 2018)

Content analysis can be done from three different starting points - data-driven, theory-based or theory-driven. This study uses theory-driven content analysis. In this case, the theory and data alternately guide the researcher's thinking. In theory-driven content analysis, units of analysis emerge from the data, but their interpretation or grouping is guided by theory. Theory-driven content analysis can also mean that the analysis is done on the basis of data, but in the end the findings made on the basis of the data are tied to the theory. (Graneheim et al. 2017) The effect of prior knowledge is thus identifiable in the analysis, but the significance of prior knowledge is not test-driven but rather brings new perspectives. (Tuomi & Sarajärvi 2018)

The logic of reasoning in theory-driven analysis is often tied to abductive reasoning (Tuomi & Sarajärvi 2018). In this study, therefore, abductive reasoning is used to aid theory-driven analysis. Abductive reasoning lies between inductive and deductive reasoning and requires movement between these approaches. Using this form of reasoning, the researcher can find underlying models that allow the combination of the surface and depth structures of the phenomenon under study. (Graneheim et al. 2017) For abductive reasoning, new theories can be formed from the data already collected and it will be easier for the researcher to choose the most suitable of all the alternative solutions, which will explain the research questions. (Tuomi & Sarajärvi 2018)

The collected qualitative data is put into written form when the interviews are transcribed, and the data is categorized. After this, the theory-driven analysis with abductive reasoning can be implemented. The theory-driven analysis proceeds in such a way that the research material is first reviewed in a data-based manner, after which a finished theory is included in the conceptualization phase. (Tuomi & Sarajärvi 2018) In this study, the theory included

in the conceptualization phase refers to the theoretical framework of the study to support the analysis. As a result, the main drivers and the biggest barriers to responsible procurement are identified, which can be compared with the results of previous studies, and at the same time the current theory can be expanded. The analysis of the data, which in this situation is transcribed interviews, therefore aims to identify the issues defined in the framework (Tuomi & Sarajärvi 2018).

3.5 Data overview

This section reviews data related to the study. Both quantitative and qualitative data and an overview of them are reviewed separately. First the data collected by the questionnaire are addressed, which is analyzed using statistical methods. The variables used in statistical analysis are discussed and the correlations between them are examined. The end of the section, data collected through interviews are presented and it is analyzed using theory-driven content analysis.

The study of responsible procurement and the drivers and barriers affecting it is an essential goal of this study. Descriptive information on quantitative data is presented next. The respondents to the survey often worked in large companies with high turnover. The size of turnover also affects the number of employees, so there were also more employees in the company of many respondents, but smaller companies in terms of number of employees can also be found in the answers. Graphs of these indicators can be found in figure 4. The highest number of respondents worked in senior management positions (46%) and the second highest number in middle management positions (27%). 37% of respondents said that their company makes more than 75% responsible procurement while only 12% of respondents said they make less than 10% responsible procurement. The survey also measured domestic procurement, with 47% of respondents reporting that the company they work for makes 51-75% domestic procurement and only 6% make less than 10% domestic procurement. Appendix 3 contains graphs of the respondent's position in the company, the number of responsible procurements and domestic purchases.



Figure 4. Turnover of companies and number of staff.

Variables used in the statistical analysis are presented next. First descriptive analysis of variables is presented followed by dependent variable and independent variables. Due to the small number of responses, this study does not focus on statistical analysis in depth, but the results and analysis are reviewed in a more indicative manner. For this reason, not all possible numerical values and coefficients specific to statistical analysis will be presented in detail.

Variables

The dependent variable is measured by 10 different statements using a scale of 1 (strongly disagree) to 5 (strongly agree). The measured items described responsible procurement in general and the statements related to, for example, the implementation of responsible procurement in the company at the moment and the strategy regarding it. The statements can be seen in appendix 4. The statement was formed as a sum variable describing responsible procurement (*respro*) by adding the numerical values of all the statements. The Cronbach's alpha value, which measures reliability, is 0.86, which means that the reliability of the variable is quite good. Next independent variables are presented.

The first independent variables were formed from internal drivers of responsible procurement. A total of 10 different statements asked how much a particular issue had affected the company's operations and the scale was 1 (not at all) to 7 (very much). Figure 5 shows how the answers are distributed among the statements. The most important has been statement 9, which is the values of the company, and it has been rated 6. The second most important internal driver is statement 8, which is the moral and ethical motivation in the

organization, while the least important is statement 1, which describes cost and financial savings.

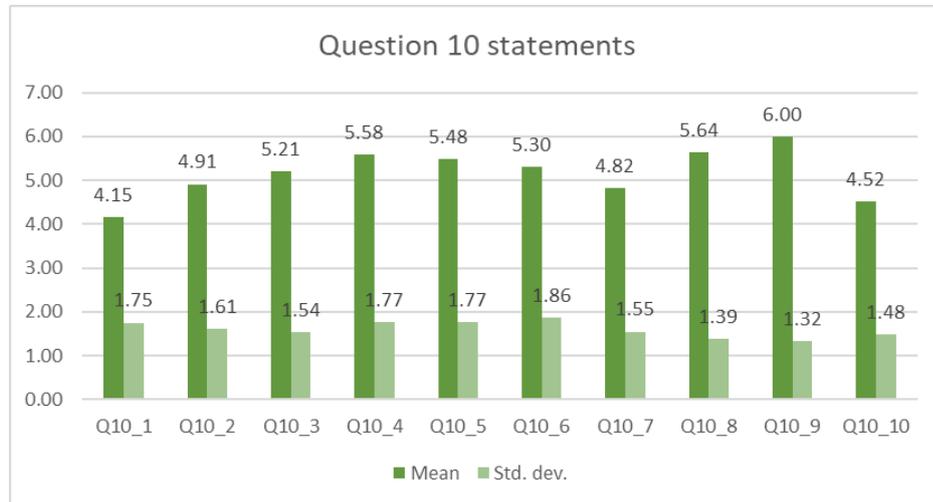


Figure 5. Question 10 statements and their mean and standard deviation values.

Factor analysis was performed for the internal drivers, based on which two different factors were formed. The first of them eventually covered five statements and the second two statements. Some statements were excluded from the review due to their poor loading. The first factor was named the *benefits_management* variable with a Cronbach's alpha of 0.95, which can be considered quite good. The second independent variable was named the *values* variable and its Cronbach's alpha value is 0.83. This value can also be considered good, so the reliability of both variables is good. Appendix 4 provides more detailed information on the different factors and statements.

The next independent variables were formed from external drivers of responsible procurement. A total of seven different statements asked how much a particular issue had affected the company's operations and the measurement scale was the same 1 (not at all) - 7 (very much). It can be seen from figure 6 that the most important external driver is assumed to be statement 6, which is to maintain a good reputation with an average of 5.79. Statement 4, which describes ISO 14000 and has an average of 3.97, has been considered the least important.

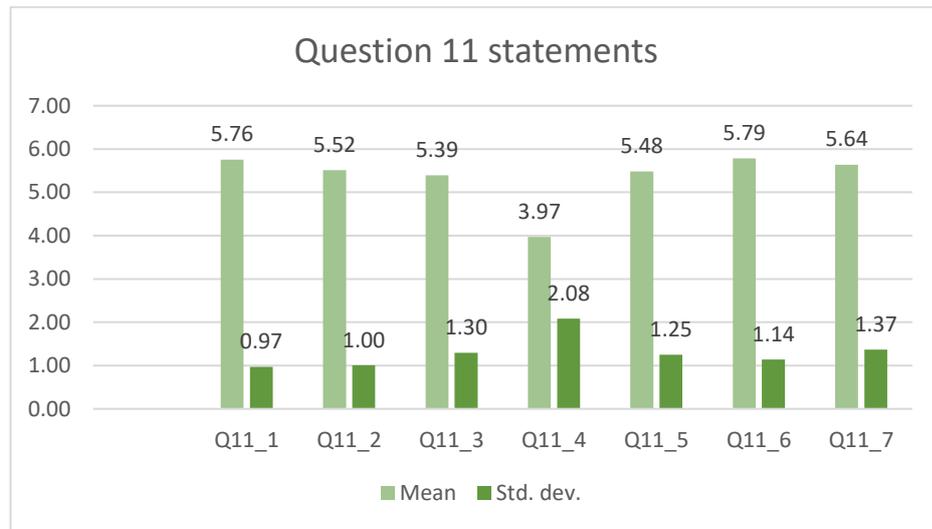


Figure 6. Question 11 statements and their mean and standard deviation values.

Factor analysis was performed for external drivers, based on which only one factor was formed. The factor was named *externaldrivers*. The Cronbach's alpha for this factor is 0.87, so the reliability of this variable can also be considered good.

A factor analysis was also performed on the barriers to responsible procurement. Internal barriers were first examined. Internal barriers were measured with 16 different statements with a scale from 1 (not at all) to 7 (very much). The idea in the statements was the same as in the drivers' statements, in the other words, I wanted to know how much a certain factor has influenced the company's responsible procurement. Figure 7 summarizes the statements of internal barriers and their means and standard deviations. Companies have experienced that the biggest barrier is statement 1, which is an increase of costs, and its average value is 4.88. According to the respondents, the smallest barrier is the culture and negative attitudes toward responsibility describing statement 15 which average only 1.97.

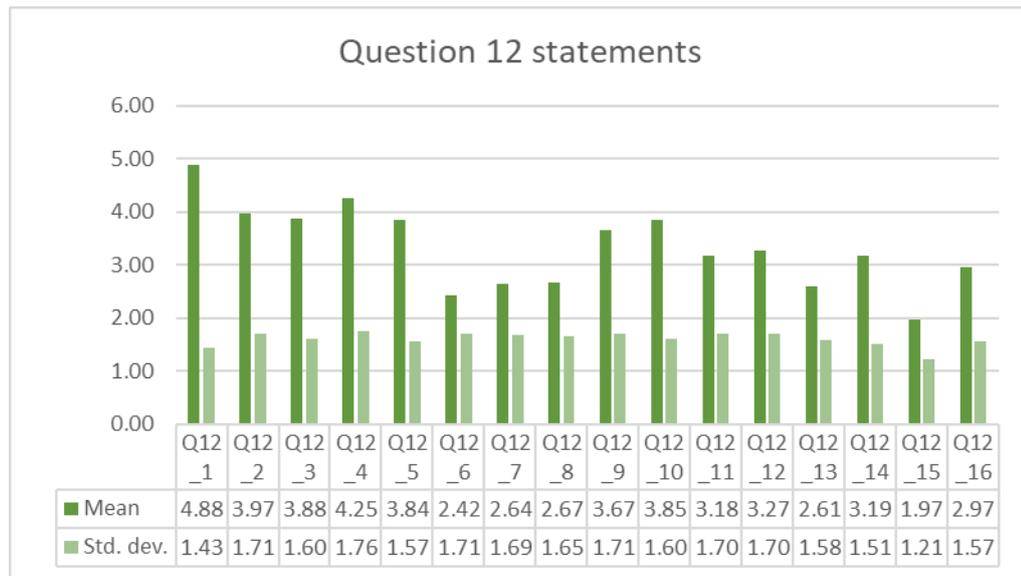


Figure 7. Question 12 statements and their mean and standard deviation values.

As a result of the factor analysis, four factors were formed for the internal barriers, but some statements had to be removed from the review due to their poor loading or double loading, so in the end three factors were formed. The first of these was named the *strategy* variable and initially included five statements, but the reliability review found that deleting some variables would improve the overall reliability of the variable, so in the end, the *strategy* variable covered only three statements. The Cronbach alpha value is 0.98 so the reliability of the variable is really good. The second factor consisted of six statements and was named the *costs_knowledge* variable. The Cronbach's alpha value for this variable is 0.86. The last factor describing internal barriers covered four statements and was named the *management* variable. The Cronbach's alpha value for variable *management* is 0.86, which is good.

Finally, factor analysis was performed for external barriers. External barriers were measured with a total of seven different statements and a scale of 1 (not at all) to 7 (very much). The statements asked how much a particular factor had affected the company's operations. It can be seen from figure 8 that the biggest external barrier has been perceived by respondents as statement 5, which illustrates the lack of alternatives. Its average is 4.73. Respondents have ranked statement 7 as the smallest external barrier, describing market barriers (average 3.21), but with almost the same average (3.27), the second lowest barrier is statement 1, which describes the lack of regulations and standards.

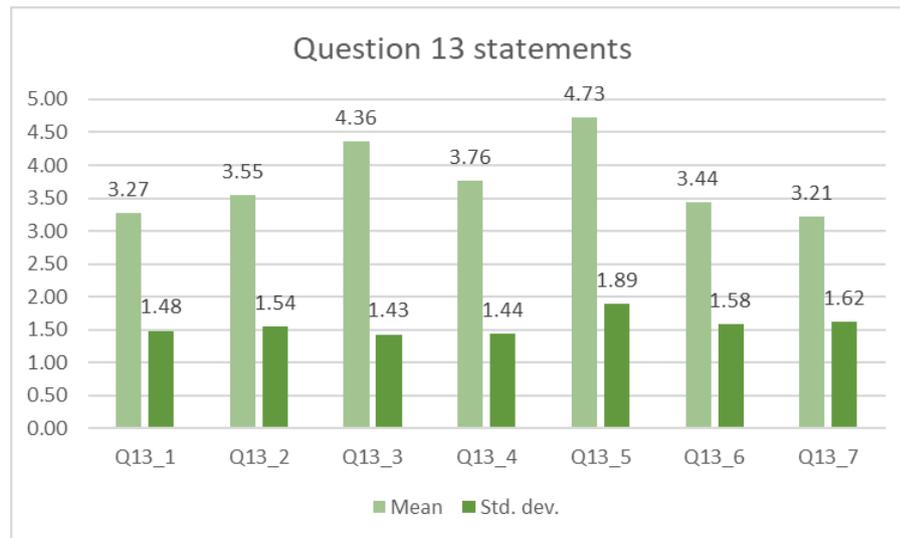


Figure 8. Question 13 statements and their mean and standard deviation values.

Factor analysis resulted in two different factors. The first factor covered three statements because two statements were excluded from the review due to poor loading. The Cronbach's alpha value for this variable is 0.88. The factor was named the *regulations* variable. Another factor of external barriers consisted of two statements and was named the *culture* variable. The Cronbach's alpha value is 0.80. The reliability of the variable is a bit weaker than the others, but it can be said that it is still quite sufficient. Table 7 summarizes the statistical parameters and Cronbach's alpha values for all variables. Appendix 5 also summarizes the data for all sum variables.

Table 7. Statistical indicators for all variables

Variable	mean	standard deviation	minimum	maximum	N	Cronbach's alpha
Respro	36.21	5.82	23	45	33	0.86
benefits_management	5.2	1.51	1	7	33	0.95
values	5.82	1.26	2.5	7	33	0.83
externaldrivers	5.36	1.01	3	6.86	33	0.87
strategy	2.83	1.55	1	7	33	0.98
costs_knowledge	4.11	1.23	1.5	6.17	33	0.86
management	2.64	1.27	1	5.5	33	0.86
regulations	3.53	1.34	1	6	33	0.88
culture	3.35	1.47	1	6	33	0.80

The full results of the factor analysis can be found in appendix 6. Looking at the results, it can be seen that the loadings of all factors are greater than 0.5. Thus, each factor can explain more than half of the variation in the observed variable. The cumulative line shows the value of all factors that can explain the variance of the variable. The *benefits_management* and *values* factors can explain 81% of the variance of the variables, the *externaldrivers* factor 62%, the *strategy*, *costs_knowledge* and *management* factors 73%, and the *regulations* and *culture* factors 71%. In the tables in appendix 6, the column KMO is a key figure that describes the suitability of the correlation matrix for factor analysis. If the KMO value is greater than 0.5, it may be considered appropriate. Most of the factor KMO values exceed that limit, but worse values can also be found. A bad value can be caused by a variable correlating with only one other variable. The sum variable tables in appendix 5 are also part of the factor analysis and their results. The alpha value in the tables indicates whether the reliability of the variable would be improved if that statement were removed from consideration. It can be seen from the tables that removing any more statement would no longer improve the alpha value and thus the reliability of the variable.

Correlations

The correlation of all variables is presented in tables 8 and 9. The correlation describes the dependence between the two variables, on which regression analysis is also based. The correlation coefficient can get values between -1 and +1. The higher the absolute value of the correlation coefficient, the more correlation there is between the variables. The sign of the coefficient also indicates the direction of the dependency. (Hill, Griffiths & Lim 2018, 773) If the correlation is large between independent variables, it can cause problems in the accuracy of the results. Looking at both tables, it is observed that the correlations between the variables are not large with correlation coefficients of less than 0.66 for all variables.

Table 8. Correlations of responsible procurement and drivers

	respro	benefits_management	values	externaldrivers
respro	1			
benefits_management	0.3042	1		
values	0.4778	0.3595	1	
externaldrivers	0.3709	0.4343	0.2772	1

Table 9. Correlations of responsible procurement and barriers

	respro	strategy	costs_knowledge	management	regulations	culture
respro	1					
strategy	-0.2093	1				
costs_knowledge	-0.2136	0.3851	1			
management	-0.3788	0.6533	0.4488	1		
regulations	-0.1192	0.2729	0.3567	0.4970	1	
culture	-0.0478	0.4008	0.0691	0.0559	0.2175	1

The distributions of the independent variables are shown graphically in appendix 7. The results show that all variables are skewed in shape and do not follow a normal distribution. The fact that the variables do not follow a normal distribution is probably due to the small number of responses.

The second part of the data in this thesis consists of interviews. There were a total of five interviewees from four different companies. All interviewees are in some way connected to their company's responsible procurement if they do not directly handle them. The companies in which the interviewees work are all more or less companies operating in the retail sector. However, one company was clearly more of a wholesale company, but they also have a store where retail is possible. Abbreviations for companies are used in the analysis so that companies or interviewees cannot be identified. Table 10 summarizes general information about the interviewees and the duration of the interview.

Table 10. General information about the interviewees.

Company	Industry	The position of the interviewee	Responsibilities	Duration of the interview
A	Grocery trade	Purchasing and Sales Manager	<ul style="list-style-type: none"> • Supervisor of Product manager team • Responsible of the overall picture and procurement • Food solution product group as the area of responsibility 	39 min
B	Retail of clothing and home textiles	Chief Operating Officer (COO)	<ul style="list-style-type: none"> • Responsible for procurement, supply chain management and sales & operations planning 	19 min
C	Technical wholesale & retail	Manager Product Management, Interviewee 1	<ul style="list-style-type: none"> • Purchase and product management of the aftermarket business • Purchase decisions • Supplier cooperation • Staff training 	23 min
C	Technical wholesale & retail	CEO, interviewee 2	<ul style="list-style-type: none"> • Responsible for running the company 	28 min
D	Grocery trade	Senior Vice President Category Management & Procurement	<ul style="list-style-type: none"> • Responsible for the procurement, selection, and pricing of groceries • In addition, responsible for procurement of consumer goods 	24 min

3.6 Reliability and validity

Reliability refers to the accuracy of the results. The results of the study must not be random, in the other words, reliable research requires repeatability. It should also be noted that scientific results cannot be generalized outside their scope, as research results may not be valid elsewhere or in another society. Research should also measure what is to be found out, and if precise goals are not set, the wrong things will be easily investigated. (Heikkilä 2014, 27) In qualitative research, the main criterion of reliability is the researcher herself, and thus the assessment of reliability applies to the entire research process (Eskola & Suoranta 1998, 152). In order for the research to be reliable, the researcher must provide sufficient

information on how the research was conducted (Tuomi & Sarajärvi 2018). For example, carefully designed and considered data collection plays an important role in validity. Roughly speaking, validity means the absence of a systematic error and it is important to ensure this in advance because it is difficult to change it afterwards. (Heikkilä 2014, 28). Validity therefore means that what has been promised has been examined in the study (Tuomi & Sarajärvi 2018).

Good reliability was obtained in this study by carefully selecting the data collection methods for both research methods. Data from a quantitative study were collected with a questionnaire and the sample size was sufficiently comprehensive and clear. Reliability was slightly reduced by the low number of responses, but this was predictable. Data from the qualitative study were collected through semi-structured interviews transcribed to facilitate analysis. The questions of both research methods were formulated so that they were clear and unambiguous to respondents. Anonymity was also taken into account in both data collection methods, in which case the personal data of the respondents were not disclosed, which contributes to the reliability of the study. The validity of the study was enhanced by the mixed method study as a research methodology, using both quantitative and qualitative methods. In this case, the analysis does not rely on the interpretations of the analysis of only one method, but the analysis becomes deeper.

4 Empirical analysis

This chapter presents the empirical results and findings of the study. Both data have been analyzed separately, but the results are compared and combined to make the final results consistent. The subsections of this chapter follow the structure of the thesis and review the findings and results of both the interviews and the statistical analysis. The results are subsequently inferred and compared with the previous literature and theoretical framework in the chapter 5.

The findings and results presented in this chapter are presented according to the structure of the thesis. We first look at the results of the linear regression, after which we move on to the results of the theory-driven content analysis. The analysis of qualitative data begins with the analysis of responsible procurement, followed by the analysis of drivers and barriers. Finally, the findings and results are summarized. The aim of the analysis is to find an answer to what are the main drivers and biggest barriers to responsible procurement for retail companies.

4.1 Results of the linear regression

Quantitative research is characterized by the setting of hypotheses and their testing. The purpose of statistical tests is to determine the validity of certain preconceptions, substantiated statements, in the other words, hypotheses, in a population. Because the goal of this study is not to prove presuppositions, but to find main drivers and biggest barriers that affect responsible procurement, there are no preset hypotheses. The purpose of the study is more to describe the phenomenon under study and all the variables in the statistical analysis are expected to affect the dependent variable somehow, so it is not necessary to make hypotheses. (Heikkilä 2014, 180)

The mixed method is used in this study, but the data obtained from the questionnaire are estimated using linear regression analysis. The study utilizes multivariate regression analysis. The analysis is carried out with the Stata SE 17.0 program. The OLS method is

used as the estimation method, which minimizes the squares of the distance between the observations and the regression line (Hills et al. 2018).

Linear regression was performed on a total of two different models, one investigating the impact of drivers on responsible procurement and the other on the impact of barriers to responsible procurement. The first model attempts to find a link between responsible procurement and the drivers that affect it. The dependent variable acts as the *respro* and independent variables as the *benefits_management*, *values*, and *externaldrivers* variables. The background assumptions of the model are presented in appendix 8. Looking at the figures, it is noted that the variables are not very linear, which is entirely due to the lack of responses. The specification of the model was examined by a statistical Ramsey reset test, according to which the model is correctly specified with the null hypothesis remaining valid at the 5% risk level. The homoskedasticity of the model was also examined by a statistical test, according to which the null hypothesis remains valid, in the other words, the model is homoskedastic and has no heteroskedasticity problem. Also, in linear regression, the variables must not correlate too much with each other (Olive 2017), which has been examined with the estat vif test. According to the test, the variables in the model do not correlate too much with each other having a VIF value of much less than 10. The last background assumptions relate to the independence and normal distribution of the model residuals (Olive 2017). However, in this study, only the independence of the residuals was examined graphically. It can be seen from the figures that the residuals do not form any clear patterns, so they are somewhat independent of the independent variables.

Similar background assumptions were made for the second model, in which the independent variables were *strategy*, *costs_knowledge*, *management*, *regulations*, and *culture*, with the dependent variable remaining the same. Background assumptions of the model can be seen in appendix 9. The first graphs show that the variables have some sort of linear relationship to responsible procurement. However, the throw of the green line and the curves tell that there is something wrong with the model. Nevertheless, the model is correctly specified based on the Ramsey reset test because the null hypothesis remains valid at the 5% risk level. Homoskedasticity was studied in the same test as in the first model, and it was found that there is no heteroskedasticity problem in the model. The multicollinearity table also shows

that the VIF values for all variables are much smaller than the allowed limit of 10, so there is no multicollinearity problem. The independence of residuals to independent variables has been examined graphically and it can be seen from the figures that no clear pattern is visible, so residuals are somewhat independent of independent variables. Next, the linear regression estimation results are presented.

Table 11. Estimation results.

	Model 1 Responsible procurement & drivers		
	b	p-value	beta
benefits_management	0.237	0.736	0.061
values	1.811	0.028**	0.390
externaldrivers	1.352	0.188	0.236
_cons	17.19		
Prob > F	0.0169		
R-squared	0.2927		
Adj R-squared	0.2196		
	Model 2 Responsible procurement & barriers		
	b	p-value	beta
strategy	0.081	0.535	0.168
costs_knowledge	-0.140	0.252	-0.231
management	-0.279	0.095*	-0.478
regulations	0.095	0.424	0.171
culture	-0.067	0.523	-0.133
_cons	2.821		
Prob > F	0.2419		
R-squared	0.2106		
Adj R-squared	0.0644		

**p<0.05, *p<0.1

It can be seen from table 11 that the explanation rate of the first model is 29.3% and the explanation rate of the second model is slightly lower, but still 21.1%. Only the first model is statistically significant, but the model has only one statistically significant variable (*values*) at risk level 0.05. The second model is not statistically significant, which may be due to the lack of responses. However, there is one variable in the model (*management*) that would be significant at the 0.10 risk level. The table also contains the value of the standard

term *_cons* and the corrected explanation rate, *adj R-squared*. *Prob> F* describes the p-value of the model, in the other words, its statistical significance.

The beta column shows the absolute values of the beta coefficients of the variables, which describe the degree of explanation of an individual variable for a dependent variable. Examining the beta coefficients, it is observed that in the first model the largest explanatory power is for the *values* variable and the second largest for the *externaldrivers* variable. For the second model, the largest beta value gets the *management* variable and the second largest the *costs_knowledge* variable. Although the second model is not statistically significant, it allows an indicative analysis of the factors influencing responsible procurement.

4.2 Results of the theory-driven content analysis

Qualitative data consists of data collected through interviews. Table 10 summarizes information about the interviewees. Interviews were the first to discuss responsible procurement and how it is implemented in their company. The second theme was drivers of responsible procurement and the third barriers of responsible procurement. Direct quotes are in italics to make them stand out from the analysis.

Responsible procurement

Company A's interviewee said they have strict guidelines for responsible procurement, regular training to review old things and learn new ones, legislation is also closely monitored, and lab tests are conducted. The aim is to be transparent to the consumer and to try to get suppliers to inform consumers about responsibility, for example through various certification marks, because at present suppliers are trying too hard to ensure retailers about product liability, even though it should be the consumer. In addition, Company A uses risk country classification, BSI standards, and certain certifications are required for certain products. Similar implementations can be observed in Company D, which operates in the same grocery industry as Company A. The interviewee in Company D said that they will not trade unless they have a valid agreement with its annexes. The company uses general

procurement agreements, and the implementation of primarily responsible procurement is contractual. They also use risk country classification list and require third-party certifications from listed suppliers. Company D, like Company A, wants to be transparent, especially to consumers, because it is one of the main stakeholders for the retail sector. In both companies, the implementation of responsible procurement extends to the level of the entire company, and the strategy defines the boundary conditions and cornerstones for its implementation. Company A's interviewee said that responsible procurement in the company would always have taken place and they have always been a pioneer in responsibility issues. A company D's interviewee said that responsible procurement has been going on for a long time since the 90s.

“In one day, you can't be responsible or even irresponsible, it's a long journey”

Company B's interviewee described responsible procurement being deep in DNA. The company operates in the textile industry. For them, making responsible procurement is not just about materials, but about ways to operate and work together. They invest in long-term cooperative relationships with suppliers, which creates trust between the parties. The company makes an annual plan of which product group to start developing and procurements through long-term product development. Strategy plays a big role in procurement and in addition, the stakeholder network is widely used. It gives impetus to what matters. Since 2014, responsible procurement has been carried out consciously and before that a little by accident. Implementing responsible procurement also extends to the entire company level.

Company C is active in the technical wholesale business, but they also have a retail business. Two people were interviewed from the company. Interviewee 1 said that the implementation of responsible procurement comes to the fore for the first time in connection with supplier selection. In this case, the criteria that suppliers should meet are defined and their compliance is also monitored through audits. According to interviewee 2, responsibility is not a new thing for them, but these things have been done for decades.

“If a company is able to run, sustain and be part of the development for 100 years, as we have done, it is not possible unless the company has thought from a sustainable perspective from the beginning”

Company C has a quality system and an environmental system in place and the company is environmentally certified. In a company, the implementation of responsible procurement extends to the entire company level, and the quality system guides its implementation in practice. Interviewee 1 also highlighted the regulatory requirements and the pressure from the law and the pressure from ISO systems for responsible procurement.

“You can’t maintain these systems if you don’t have continuous development and new goal space”

Companies were next asked whether and how they benefited from responsible procurement. Company C interviewees benefited from financial savings and maintaining a good reputation. Company B’s interviewee, on the other hand, saw that their brands have gained visibility and a responsible position in the eyes of consumers, and the company is seen as responsible anyway. Company A’s interviewee perceived the inclusion of corporate responsibility reporting in the global 100 list as one of the big benefits, through which they have achieved benefits and transparency, especially in terms of image. Company D’s interviewee said one of the benefits of gaining reputation and honor. In both companies A and D, the consumer is seen as important, and the interviewees emphasized consumer opinions and consumer feedback as an important benefit when the consumer thinks the company is responsible and wants to come to buy.

“Responsibility issues are more about competitiveness issues than competitive advantage issues, but in any case, the benefits are difficult to measure”

Drivers of responsible procurement

The next theme of the interview questionnaire was drivers for responsible procurement. First, interviewees were asked what reasons have driven them to make responsible purchases. The interviews raised a lot of similar issues such as the size of the company, consumer pressure and the company values. Company C's interviewee 1 pointed out that due to the size of the company, there is no room for failure, as possible legal proceedings are always more expensive for a larger company and inevitably lead to reputational damage.

“Irresponsible is, above all, wrong, but also more expensive”

Company A's interviewee saw that the size of the company means that there is no alternative but to act responsibly. The interviewee in Company D also pointed out that the size of the company influences the need to create sustainable consumption and do things that improve society. Company B's interviewee said consumers demanded responsibility, as did Company D's interviewee. Companies also often have a desire to offer responsible alternatives to consumers, which in turn drives them to make responsible purchases, and this company A's interviewee highlighted. Company C also clearly emphasizes the company's values, which greatly influences the fact that responsible procurement is made and desired to be made. They want to be a long-term partner, which is also reflected in the company's values.

“A long-term relationship leads to the fact that you can't really act in a vague or less sustainable way because it's often a short-sighted activity”

In Company B, responsible procurement also seeks to achieve long-term business benefits that act as a driver for responsible operations. According to all interviews, the most important drivers for responsible procurement in the retail industry are consumer requirements and pressures, company values, reputation maintenance and business benefits. In addition, the company D interviewee raised an EU directive that acts as a motivator. Also in Company A, securing domestic production, supported by responsible procurement, was seen as the main driver, and Company C's interviewee 2 highlighted continuous change as the most important. Table 12 summarizes the main drivers.

Table 12. Drivers of responsible procurement that emerged from the interviews.

Company	Drivers	Main drivers
A	<ul style="list-style-type: none"> • size of the company • responsibility to be responsible company • consumer pressure 	<ul style="list-style-type: none"> • securing domestic production
B	<ul style="list-style-type: none"> • competitive advantage of the future • long-term business benefits 	<ul style="list-style-type: none"> • consumer pressure
C	<ul style="list-style-type: none"> • desire to be a long-term partner • size of the company • preparedness for reputational damage 	<ul style="list-style-type: none"> • company values • constant change
D	<ul style="list-style-type: none"> • customer expectations • size of the company 	<ul style="list-style-type: none"> • consumer pressure • EU directive as a motivator

Barriers of responsible procurement

Next, the interviews covered the barriers to responsible procurement. First, the interviewees were asked what kind of barriers they have experienced when responsible procurement has been implemented and how they have been overcome. The interviewee of Company A raised the availability of raw materials as almost the only and biggest barrier. Availability problems are reflected in the fact that either the raw material is not available at all, it is really scarce, or its quality is poor and uneven. When raw materials are not available, it must be procured elsewhere and then prices rise. Company B's interviewee also highlighted the poor availability of responsible raw materials, which has a direct impact on prices. The increase of costs was seen one of the barriers to responsible procurement.

“It's hard to find product that is responsibly produced or procured responsibly”

According to the company B's interviewee, the materials need a long time to develop, which is neither quick nor easy. Society lacks a structure that makes better use of recycled materials. The big challenge, then, is how to make products more sustainable through product development than their previous versions have been. However, in Company B,

barriers have been overcome through long supplier relationships and close co-operation has often taken place for decades, yet society's lack of construction for alternative materials is seen as a barrier to responsible procurement.

“We need more guidance and stronger direction from the EU to make society structures support the transition to alternative materials”

At the same time, according to company C's interviewee 1, the legislation is gaining momentum that it is difficult to keep up. In company C, the biggest barrier was seen as a lack of knowledge, especially in supplier countries.

“We have to live on the other party's knowledge”

In addition, in Company C, barriers were seen as the difficulty of monitoring responsibility, the challenges posed by the industry, and long supply chains and their fragmentation. According to interviewee 2, it is not normal for the industry to audit suppliers but to be more confident in what standards they use and whether they have to present a quality manual. In terms of industry, company C's hands are tied.

“We don't produce the goods, but it comes from the supplier as is and we resell it”

Barriers have been overcome in Company C through repetitions and if values or operating models do not meet with suppliers, no co-operation will take place. Company D's interviewee said they face more challenges than barriers. The length of supply chains is seen as a challenge, as in Company C. The world is hugely complex, and the length of supply chains makes procurement increasingly challenging. The challenges have been met through purchasing partnerships with various retailers to facilitate procurement. The interviewee also said that they prefer long and strong supplier relationships like Company B. The Company D interviewee also raised cultural issues that occur occasionally as one of the challenges.

“Perceptions of truth and honesty differ between countries”

According to the interviews, the biggest barriers or challenges to responsible procurement are the availability of raw materials or lack of alternatives, increase of costs, especially the lack of information from suppliers, and the very long supply chains. Because of the length of supply chains, it is really difficult to find ethical problems at different stages of the supply chain. It is also clear that society is not yet ready to adopt alternative materials and companies continue to struggle with the responsibility of suppliers. Responsibility should therefore be strongly structured from the initial product so that it is also responsible to the end user. Table 13 summarizes the barriers to responsible procurement.

Table 13. Barriers of responsible procurement that emerged from the interviews.

Company	Barriers	Main barriers
A	<ul style="list-style-type: none"> • availability of raw materials • increase of costs 	<ul style="list-style-type: none"> • availability of raw materials
B	<ul style="list-style-type: none"> • availability of materials • lack of standards • increase of costs 	<ul style="list-style-type: none"> • lack of society structures for alternative materials • availability of materials
C	<ul style="list-style-type: none"> • difficulty of monitoring responsibility • industry challenges, “tied hands” • long supply chains 	<ul style="list-style-type: none"> • lack of supplier’s knowledge
D	<ul style="list-style-type: none"> • long supply chains as a challenges • cultural challenges 	<ul style="list-style-type: none"> • long supply chains • lack of supplier’s knowledge

4.3 Integration of data

Based on statistical analysis, the most important and at the same time the only statistically significant driver for responsible procurement was the variable *values*. The variable *values* is a sum variable that was initially formed from three statements, one of which was omitted from the factor analysis because deleting it improved the reliability of the variable. In the end, the *values* variable consisted of only two statements, “moral and ethical motivation in the organization” and “company values”. The statements are thus strongly related to the company’s internal climate and, in particular, to the values and motivations adopted by the company. The same result emerged from the transcribed data when Company C emphasized the importance of values in responsible procurement and responsibility in general. For other

companies, too, it was noted that responsibility is an important part of companies' strategy, and Company D also raised it as one of the cornerstones. Based on these findings, the company's values, and ethical and moral motivation play an important role in responsible procurement.

Based on this sample, it can be said that the most important drivers of responsible procurement in Finnish retail companies are the company's values, which are reflected in day-to-day operations, not forgetting the impact of company size on responsible operations and the pressure on consumers. The effect of company size was reflected in both the interviews and the results of the questionnaire. Although the *externaldrivers* variable to which the consumer pressure statement belonged was not statistically significant in the first regression model, it was the second most important explanator in the analysis and this result is consistent with the transcribed data.

As for the barriers to responsible procurement, several of them emerged. Based on statistical analysis, the biggest barrier to responsible procurement is the variable *management*. The *management* variable is also a sum variable consisting of a total of four statements. These statements are "lack of top management support and commitment", "quality criteria", "culture and negative attitudes towards responsibility" and "lack of training and education". The statements relate to the internal environment of the company and in particular to matters related to the management of the company. Similar results emerged from the transcribed data, where the company's culture and values in particular were drivers for responsible procurement, so equally their lack serves as a barrier. In terms of interviews, the preeminent barrier to responsible procurement is the availability of raw materials associated with the "quality criteria" statement. In the interviews, special emphasis was placed on the fact that there are often situations where the product is not available responsibly. However, retailers want to guarantee consumers responsibly produced goods, so this is seen as a barrier if raw material is not available, and the quality criteria are not met. The results are therefore consistent.

According to the statistical analysis, the second most important explanatory power, although not statistically significant, is the *costs_knowledge* variable, which contains a total of six

statements. The statements are “increase of costs”, “lack of financial resources”, “financial pressure”, “lack of knowledge”, “lack of awareness” and “resource costs”. This result is more or less in line with the results of the interviews, according to which the lack of knowledge and the increase of costs were perceived as a barrier for several companies.

It can be said that the biggest barriers to responsible procurement in Finnish retailers are the availability of raw materials and the lack of knowledge, especially at the supplier’s end. In addition, long supply chains seem to be a common challenge for companies. Based on these results, Finnish retail companies see the drivers and barriers to responsible procurement coming from inside the company rather than from outside the company. In general, responsibility can be said to be a very wide range of things that affect it. It is a rising trend and will certainly increasingly influence people’s purchasing decisions. The results are emphasized by data from interviews, as a low response rate to the questionnaire meant that a proper statistical analysis could not be performed.

5 Discussion and conclusions

The aim of this study was to find the factors that influence responsible procurement. More specifically, the goal was to study drivers and barriers and find key drivers and barriers to responsible procurement. The aim of the study was to increase the existing literature on the subject, and the study focused on the retail sector, which is an underinvestigated sector in this theme of study (Dal Mas et al. 2021). When research was focused on this particular area, a new perspective was gained. Ferri et al. (2016) found that there is an incentive to explore responsible procurement because understanding of the factors involved is still limited.

In this chapter, the results are gone through, and the research questions are answered based on the results obtained. The results obtained through statistical analysis and theory-driven content analysis are combined with existing literature to carefully answer research questions. The final conclusions are then presented, followed by a review of the limitations and a reflection on future research.

5.1 Discussion

As Chanikova and Mont (2012) reported, in order to succeed in responsible retail procurement, it is important to understand what motivates and prevents companies from acting responsibly. Research on responsibility has been done for decades, but the topic continues to attract interest and is a rising trend. Although many studies have contradicted the factors influencing responsibility, there is a consensus that acting responsibly has more benefits than disadvantages. (Hoejmose & Adrien-Kirby, 2012) A similar finding between the benefits of responsibility was found through content analysis. All companies said they benefited from responsible procurement. The interviewee in Company A also highlighted the fact that acting responsibly is no longer an option but even an obligation that Berns et al. (2009) noted earlier.

The results show that all companies value responsible procurement highly and want to be transparent in its implementation. Responsible procurement is carried out accurately and

various certifications are required, and contracts are concluded according to precise criteria. Indeed, Zhu and Geng (2001) pointed out in their study that ensuring responsible operations should be the most important factor in supplier selection and contract planning. Audits are used to monitor responsibility, but it is currently difficult to measure. Based on statistical analysis, responsible procurement is perceived as a positive thing and is carried out in all companies. Responsible procurement is also carried out at every level of the companies, and special emphasis is placed on long-term supplier relationships. Sikora (2021) made this observation earlier in her study, according to which the most important parts of supply chain management are the suppliers themselves and inappropriate cooperation with suppliers is only a disadvantage. Responsible procurement also requires commitment at all levels of society, as McMurray et al. (2014) highlighted earlier, and based on the empirical results, companies have already noticed this in their operations.

Empirical analysis shows that companies provide training on a regular basis to keep staff involved in responsibility issues and to make it a routine. Bowen et al. (2001) proved in their study that responsibility training has a very large effects on the attitudes of purchasing managers. Capacity related to responsibility also develops when purchasing personnel are trained (Oelze 2017). It is clear that Finnish retailers want to keep their staff up to date and gain a competitive advantage.

Responsibility was described as being in the DNA of companies and it serves as an everyday tool. Responsibility is generally linked to the values of companies and thus to one of the cornerstones of the strategies of the companies. It can be said that the general activities of Finnish retail companies guide them to strive for responsible operations. As Wilson (2015) stated in his study that a proper strategy can bring economic and social benefits, this has been widely recognized in Finnish retail companies. The distribution of responsibility throughout the supply chain has also been identified, but influencing upstream suppliers still seems to be a challenge. The long and increasingly complex supply chains created by globalization (Chick & Handfield 2015) bring their own challenges, which were noticeable on the basis of both analyzes. Next, the research questions of the study are answered by first addressing the main research questions and then answering the sub-research questions.

The main research question of the study is “*What factors affect the responsible procurement in the retail sector?*” Empirical analysis revealed that many factors have an impact on the implementation of responsible procurement and do not rely on a single factor alone. Empirical results suggest that responsible procurement is driven in particular by a company’s ethical and moral motivation, company values, the size of the company, preparedness for reputational damage, constant change, and consumer demands or pressure. Consequently, these act as drivers, while Finnish retail companies experience barriers to responsible procurement, especially the availability of raw materials or lack of alternatives, increase of costs, lack of standards, difficulty in controlling responsibility, lack of supplier’s knowledge, cultural challenges, and long supply chains. All these factors have emerged in the previous literature and the same factors were expected to be found in this study. Hasselbalch et al. (2014) found that drivers and barriers differ depending on the topic being studied and the results vary depending on, for example, the industry or country in which the research is being conducted. However, retail as an industry is a stable industry, with the same drivers and barriers affecting responsible procurement as in other industries.

Interestingly, no driver or barrier that has already received much support in the literature emerged as the most important in this study. For example, Naidoo and Gasparatos (2018) found cost savings to be the most important factor in adopting responsible procurement, as in many other studies, while de Brito et al. (2008) found that legislation and the achievement of a competitive advantage were at the forefront. Nor did top management support (e.g., Carter & Jennings 2004; Walker & Brammer 2009; Ferri et al. 2016) find support in this study, although it is one of the most cited drivers. According to responses to the questionnaire, top management support was third most important driver for responsible procurement, but not statistically significant. However, the lack of top management support somehow acts as a barrier. Of the external drivers, regulations and legislation in particular have emerged in many studies in addition to stakeholder pressure (see table 4). Empirical results show that stakeholders, especially consumer pressure and expectations, are perceived as a driver and legislation is seen as a motivator to act responsibly.

A more recent finding that emerged in the analysis was the constant change mentioned by Company C interviewee 2, which puts its own pressure on keeping pace with developments.

This can be seen as a new discovery that has not received support in the previous literature. Today, the world is constantly changing, and new directives, guidelines and laws are constantly coming in, so it requires effort and continuous improvement from the company and especially from the top management. Like Carter and Jennings (2004) and Kannan (2021) say, company cannot actively pursue sustainable change without the support of top management, and this was also noticed among companies. Interestingly, the constant change was also seen as a driver and not a barrier to responsible procurement, which in turn reflects the desire of retailers to be involved in influencing these issues and emphasizes their role as a mediator of responsibility awareness.

The effect of internal and external factors and their difference was also interesting in the results. Ghadge et al. (2017) found in their research that external factors are the biggest barriers while stakeholders' pressure is the main driver for responsible procurement. In this study, internal factors act more as drivers and external factors as barriers, so there is consistency in the results. In terms of statistical analysis in particular, only internal factors influence responsible procurement, but external drivers, such as stakeholder pressure, were also highlighted in the interviews. In terms of barriers, the statistical analysis also focused on internal factors, while the results of the interviews refer more to external factors. Indeed, Whitehouse (2006) found in her study that internal and external factors work in synergy with each other and companies can be motivated or prevented by both internal factors and external pressures at the same time. This was also observed based on the empirical results of this study.

The first sub-research question of the study is *“What are the most important drivers of responsible procurement in Finnish retail companies?”* Empirical results show that the most important drivers of responsible procurement are company values and consumer pressure. In addition, the size of the company was seen in many companies as an influential factor that makes it necessary to act responsibly. According to Min and Galle (2001), the size of the company is one of the biggest forces in the implementation of sustainable development, so the finding was not surprising. Large companies have significantly higher financial returns, and more purchases are made, so this emphasize the role of retail between the consumer and the supplier in terms of responsibility and awareness-raising. Indeed, retailers can strengthen

sustainable consumption and production through their own actions and daily interactions with consumers (Comfort et al. 2009; Wilson 2014; Bradley 2016). The previous finding in the literature about the important role of retail in society is also confirmed through this study. At the same time, this role can be questioned at the global level, as companies are not necessarily big at the global level. In this respect, the interviewee of company D pointed out that even if the company is a big player in the home country, they are a small player at the global level, which means that they do not have the resources to do things as they would like.

The company's values and moral and ethical motivation became one of the most important drivers of responsible procurement. This finding is not new but has already been supported by previous literature. For example, Mont and Leire (2009) identified organizational values as an important internal driver for responsible procurement. Both statistical analysis and content analysis found that company values were an important factor. According to almost all interviewees, responsibility is part of their values and is one of the cornerstones of the strategy. Company C interviewee 2 also stressed that suppliers should share the same values with the organization through which trust can be built and thus longer supplier relationships can be built. Values serve as a concrete management tool and well-formulated values serve as the basis for an organization culture. In her study, Oelze (2017) found that the company's existing culture forms the basis for responsibility, which was also finding of this study. As Company C interviewee 2 said, a company has had to do something right if it has been able to operate and be part of the development for 100 years. From this it can be concluded that the values have been the basis of the company's operations, and they also emphasize responsibility.

Another key driver of responsible procurement was consumer pressure. This finding was only found through interviews, but both Company B and Company D raised it as the main driver. As noted earlier, organizations are receiving increasing attention from their stakeholders, and these stakeholders contribute to the continuous improvement of organizations' purchasing practices (Carter & Jennings 2004). Awareness of environmental issues is increasing, and companies are becoming more vulnerable to external factors. However, Company B's interviewee emphasized that the responsibility work was done in a

way that offered alternatives to consumers and was seen more as a consumer desire than a pressure to act in a certain way. The finding is in line with Kannan's (2021) earlier finding that corporate responsibility decisions and actions are increasingly based on stakeholder requirements.

Another sub-research question in this study is "*What are the biggest barriers to responsible procurement in Finnish retail companies?*" According to empirical results, one of the biggest barriers is the availability of raw materials. This was supported by both statistical analysis and content analysis. Other barriers that emerged, especially through interviews, were the lack of supplier's knowledge and long supply chains. Walker and Brammer (2009) pointed out in their study that guaranteeing decent quality for the consumer can be a barrier to responsible procurement because sometimes responsible raw material is simply not available. Quality assurance is not easy, and it depends on many factors. In their study, Burt and Pinkerton (1996) argued that the distribution of purchases among a wide range of suppliers causes more variability in quality and price than before. Through the analysis, it was noticed that the same problem has been observed in Finnish retail companies. Quality problems often result in the product not being available at all or the price rising. Guo et al. (2016) recall, however, that consumers are willing to pay a little more for a product if they know it is responsible. The same result was observed through interviews in which the interviewees said that fortunately there are customers in the customer base who are willing to pay a higher price.

According to a study by Chkanikova and Mont (2015), the biggest barriers to responsible procurement for retailers are the complexity of supply chains, lack of power, and lack of knowledge and resources. Also, according to a study by Schneider and Wallenburg (2012), the complexity of supply chains and their length has made their controllability almost impossible. Based on empirical findings, the length of supply chains is also a challenge for Finnish retailers, making them difficult to control. This also highlights another problem identified in this study and is the lack of supplier's knowledge that Min and Galle (2001) and Paulikas & Brazdauskaitė (2010) found in their studies. The pursuit of responsibility requires the necessary information from both the buyer and the supplier, so the lack of knowledge at any stage of the supply chain hinders the company's ability to address

sustainability issues more effectively, which was also highlighted in this study. Often companies only have to trust the supplier if information is not available and according to Oelze (2017) it is important to minimize information asymmetry at all stages of the supply chain. The lack of knowledge can therefore be a big problem in responsible procurement.

5.2 Conclusions

The purpose of this study was to investigate the factors that influence responsible procurement among Finnish retailers. In particular, the study sought to find out which drivers are the most important and which are the biggest barriers to implementing responsible procurement. Previous research on drivers and barriers to responsible procurement had focused on other industries, with less attention paid to retail. In addition, previous research focused mainly on developed countries such as the United States and the United Kingdom. This leaves a gap for this study, which examines drivers and barriers to responsible procurement, especially in the Finnish retail sector. In addition, several existing studies on the subject have been conducted with the qualitative research methods, so in addition to the qualitative research method, a quantitative research method was also introduced into this research, so the research method became a mixed method research. This research method is not so well known and is rarely used in theses. The aim of the study was to increase current knowledge about drivers and barriers in the retail industry. The goal was achieved by focusing on the Finnish retailers. Table 14 summarizes the main findings of this study.

Table 14. Summary of the main findings.

All factors that affect to responsible procurement	The most important drivers of responsible procurement	The biggest barriers to responsible procurement
<p>Drivers:</p> <ul style="list-style-type: none"> • Ethical and moral motivation in the organization • Company values • Size of the company • Preparedness for reputational damage • Constant change • Consumer demand or pressure <p>Barriers:</p> <ul style="list-style-type: none"> • Availability of raw materials or lack of alternatives • Increase of costs • Lack of standards • Difficulty of monitoring responsibility • Lack of supplier's knowledge • Cultural challenges • Long supply chains 	<ul style="list-style-type: none"> • Company values • Consumer demand or pressure • Size of the company 	<ul style="list-style-type: none"> • Availability of raw materials and lack of alternatives • Lack of supplier's knowledge • Long supply chains

The results emphasized the data collected through the interviews, as the response rate to the questionnaire remained low and the results are indicative only. Responsible procurement among Finnish retailers is seen to be influenced by many things, which the previous literature also supports. It can be seen from Table 14 that many issues emerged as influential factors based on empirical findings and all factors are supported by previous literature, so they are not new findings. The only factor not so mentioned in the previous literature is the constant change that acts as a driver for responsible procurement. The finding is not surprising, as we are living in a time of constant change today, but it can be concluded from this that Finnish retailers clearly want to be involved in the change towards better and more responsible operations. In general, responsible procurement is perceived as a positive concept and is desired and implemented among Finnish retailers.

The most important driver of responsible procurement was the company's values, which were supported by both statistical analysis and content analysis. This finding has received

attention in the previous literature but has not risen to be among the most cited. Other important drivers for responsible procurement are consumer pressure or demand and company size. Based on empirical results, consumers want to be offered responsible alternatives and they demand it. In addition, the large size of the company was seen as a factor that leaves no choice but to act responsibly.

The biggest barrier to responsible procurement was the availability of raw materials and the lack of alternatives. Companies feel that the unbuilt nature of society is still a barrier to the introduction of alternative raw materials and that there are not enough raw materials procured or produced responsibly. In addition, Finnish retailers feel that suppliers' lack of knowledge of responsibility issues creates barriers to responsible procurement, as responsible procurement requires an exchange of information between the buyer and the supplier. With globalization, supply chains have also become more complex and longer, which is seen as a particular challenge for the company to implement responsible procurement.

5.3 Limitations and future research

This study had its own limitations, as studies usually do. This study considered all three dimensions of TBL but focused only on responsible procurement and not on the responsible business, for example. Responsible procurement and related drivers and barriers were examined from the perspective of the purchasing company in the retail sector, so the supplier's perspective has not been taken into account. Adding a supplier perspective to the research could be an interesting topic for further research, as it would allow better research into responsible procurement throughout the supply chain and thus provide important information for further research. In addition, issues such as the wider impact of responsible procurement on business operations or how responsible a range of retail products can currently be held were excluded from this study.

Limitations were also associated with the chosen research method. Although the validity of the study is enhanced by the mixed methods chosen as the study method, the sample size of

the statistical analysis remained very small. Therefore, the results of the statistical analysis are indicative and not so generalizable. In addition, no clear linear relationship was identified between the variables in the linear regression, so that a regression model with no relationship between the variables could be chosen as the method of analysis. The model is called nonlinear regression, but it is much more complex than linear regression models (Yan & Su 2009, 3). Finding a linear relationship between the variables could also be made difficult by the small sample size. In addition, more interviews could have been conducted to obtain more data, but this was not possible within this schedule.

In the future, similar research on drivers and barriers could be done for retailers so that the sample size would be larger, allowing the results to be more valid and proper statistical analysis to be performed. The mixed method as a research methodology could be used more in future studies, as it provided more information and thus a more in-depth analysis could be carried out, which would increase awareness and enable different decision-makers to better implement sustainable development. In addition, more research could be done targeting Finnish retail companies in particular as current research has focused more on developed countries such as the United States and United Kingdom. The perspective of developing countries could also be added to research, bringing a new perspective and comparing procurement between countries, in order to gain more comprehensive information on how, for example, perceptions of responsible procurement differ between countries or whether they differ.

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Appendices

Appendix 1. The questionnaire.

Company background

Q1. Company turnover

Less than 10 million €
10-20 million €
20-50 million €
50-100 million €
100-200 million €
More than 200 million €

Q2. Number of staff

Less than 25
25-50
50-100
100-500
500-1000
More than 1000

Q3. The year the company was established

Q4. The position of the respondent in the company

Senior management
Middle management
Operational tasks
Expert tasks
Other

Q5. The job title of the respondent

(e.g. CEO, shop owner, store manager, buyer...)

Q6. An estimate of the monetary value of the purchases

Q7. An estimate of the proportion of procurement that is responsible

Less than 10 %
11-25 %
26-50 %
51-75 %
More than 75 %

Q8. An estimate of the proportion of procurement that is domestic

Less than 10 %
11-25 %
26-50 %
51-75 %
More than 75 %

Responsible procurement

Q9. The implementation of responsible procurement

What do you think about the following statements?

1 = Strongly disagree, 5 = Strongly agree

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
Responsible procurement is currently being done in my organization					
My organization should make more responsible purchases					
My organization has a clear responsible procurement policy					
My organization has a clear vision of what responsible procurement is like					
My organization is willing to pay a higher price to make more sustainable purchases					
Responsible procurement supports our organization's strategy and vice versa					
Responsible procurement means higher costs					
We have gained a competitive advantage and other benefits through responsible procurement					
We use life cycle costing (or full life cycle costing) in our assessment					
Making responsible purchases can damage our relationship with our suppliers					

Drivers of responsible procurement

Q10. Evaluate how much different internal drivers have affected your responsible procurement
1 = Not at all, 7 = Very much

Internal drivers are the factors that motivate or drive companies to make responsible purchases and are related to the internal affairs of the organization.

	1	2	3	4	5	6	7
Cost and financial savings							
Long-term economic benefits and profitability							
Expected business benefits							
Top management support							
Corporate management							
Organization's culture							
Training and education							
Moral and ethical motivation in the organization							
Company values							
Improved resource utilization							
Else, what?							

Q11. Evaluate how much different external drivers have affected your responsible procurement
1 = Not at all, 7 = Very much

External drivers are the factors that motivate or drive companies, which is why responsible procurement is carried out and they are related to the company's operating environment, i.e., things from outside that the company has little control over.

	1	2	3	4	5	6	7
Market pressure and demand							

Competitive advantage							
Regulations and legislations imposed by the government and other parties and compliance of these							
ISO 14000							
Increased public awareness							
Maintaining a good reputation							
Brand value							
Else, what?							

Barriers of responsible procurement

Q12. Evaluate how much different internal barriers have affected your responsible procurement
1 = Not at all, 7 = Very much

Internal barriers are factors that make responsible procurement difficult to implement or factors that prevent responsible procurement from taking place at all and are related to the internal affairs of the organization.

	1	2	3	4	5	6	7
Increase of costs							
Lack of financial resources							
Financial pressure							
Lack of knowledge							
Lack of awareness							
Lack of top management support and commitment							
Lack of short term and long-term goals							
Strategical difficulties							
Lack of resources							
Resource costs							
Lack of structures and processes							
Lack of technical competence							
Decentralized procurement							
Quality criteria							
Culture and negative attitudes towards responsibility							
Lack of training and education							
Else, what?							

Q13. Evaluate how much different external barriers have affected your responsible procurement
1 = Not at all, 7 = Very much

External barriers are factors that make responsible procurement difficult to implement or factors that prevent responsible procurement from taking place at all and are related to the company's operating environment, i.e., things from outside that the company has little control over.

	1	2	3	4	5	6	7
Lack of regulations and standards							
Legislation							
Supplier's lack of knowledge							
Supplier's irresponsibility							
Lack of alternatives							
Cultural barriers between countries and regions							

Market barriers: the lack of a market structure for environmental practices							
Else, what?							

Q14. Free word
This question is optional. For example, you can give feedback on the survey or add something related to this survey.

Appendix 2. Interview questions.

General questions:

1. What is your role / position in the company (job title)
2. In what industry does your company operate?
3. How much do you make responsible purchases? (%-share)

Theme 1: Responsible procurement

4. Can you describe how your company implements responsible procurement?
5. How long has your company been making responsible purchases?
6. Does the implementation of responsible procurement extend to the entire company level?
7. What practices do you use to implement responsible procurement? (Strategy, life cycle costing, etc.)
8. Have you benefited from responsible procurement? If so, what benefits have you received?

Theme 2: Drivers of responsible procurement

9. What are the reasons that have led you to make responsible purchases?
10. Can you elevate a particular factor / driver / motivator as the most important factor that has influenced your responsible procurement?

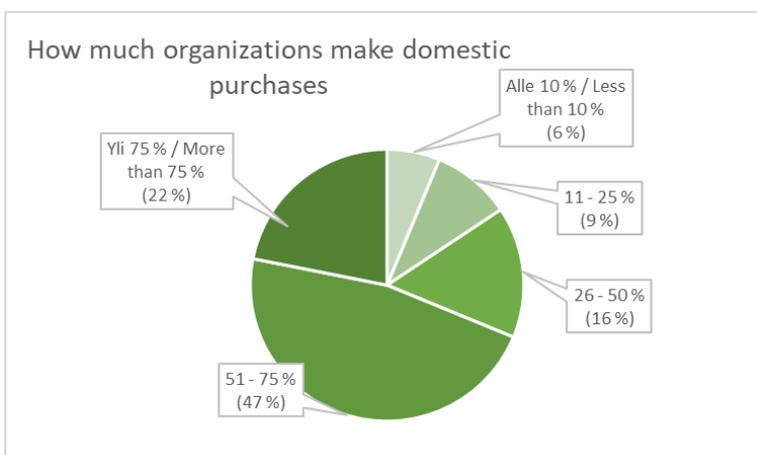
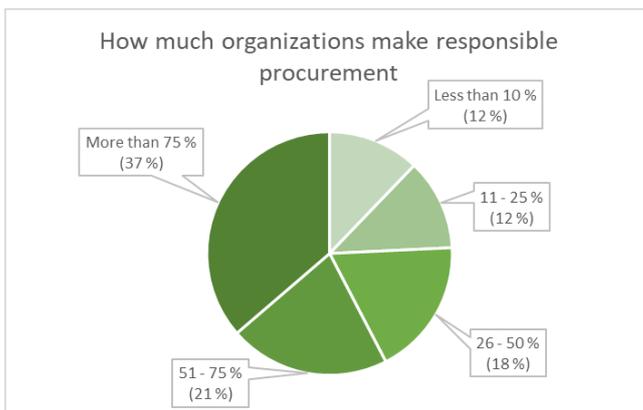
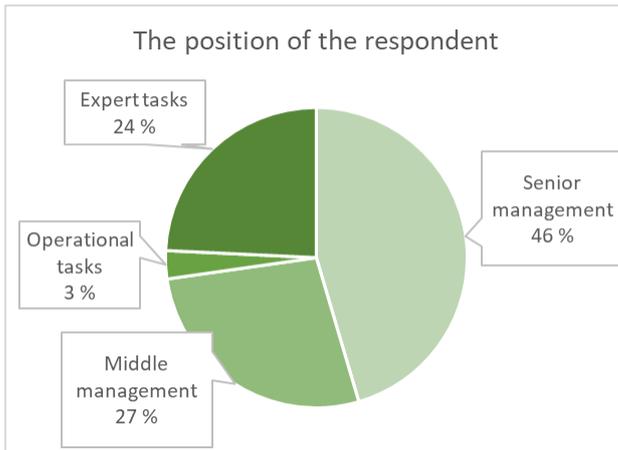
Theme 3: Barriers of responsible procurement

11. What kind of barriers does your company face when making responsible purchases?
12. How have you overcome these barriers?
13. Can you mention a particular factor as the biggest barrier?

Last question:

14. Do you have anything else to add about a generally responsible procurement or business?

Appendix 3. Descriptive information on quantitative data.



Appendix 4. Different factors and their statements.

(If the statement is struck through, it has been removed from review due to poor loading or duplicate loading)

Question	Variable name	Statement
Q9	respro	Q9_1 Responsible procurement is currently being done in my organization
		Q9_2 My organization should make more responsible purchases
		Q9_3 My organization has a clear responsible procurement policy
		Q9_4 My organization has a clear vision of what responsible procurement is like
		Q9_5 My organization is willing to pay a higher price to make more sustainable purchases
		Q9_6 Responsible procurement supports our organization's strategy and vice versa
		Q9_7 Responsible procurement means higher costs
		Q9_8 We have gained a competitive advantage and other benefits through responsible procurement
		Q9_9 We use life cycle costing (or full life cycle costing) in our assessment
		Q9_10 Making responsible purchases can damage our relationship with our suppliers
Q10	benefits_management	Q10_1 Cost and financial savings
		Q10_2 Long-term economic benefits and profitability
		Q10_3 Expected business benefits
		Q10_4 Top management support
		Q10_5 Corporate management
		Q10_6 Organization's culture
		Q10_7 Training and education
	values	Q10_8 Moral and ethical motivation in the organization
		Q10_9 Company values
		Q10_10 Improved resource utilization
Q11	externaldrivers	Q11_1 Market pressure and demand
		Q11_2 Competitive advantage
		Q11_3 Regulations and legislations imposed by the government and other parties and compliance of these
		Q11_4 ISO 14000
		Q11_5 Increased public awareness
		Q11_6 Maintaining a good reputation
		Q11_7 Brand value
Q12	strategy	Q12_7 Lack of short term and long-term goals
		Q12_8 Strategical difficulties
		Q12_11 Lack of structures and processes
		Q12_12 Lack of technical competence
	costs_knowledge	Q12_13 Decentralized procurement
		Q12_1 Increase of costs
		Q12_2 Lack of financial resources
		Q12_3 Financial pressure
		Q12_4 Lack of knowledge
		Q12_5 Lack of awareness
		Q12_10 Resource costs
	Q12_9 Lack of resources	
	management	Q12_6 Lack of top management support and commitment
		Q12_14 Quality criteria
		Q12_15 Culture and negative attitudes towards responsibility

		Q12_16 Lack of training and education
Q13	regulations	Q13_1 Lack of regulations and standards
		Q13_2 Legislation
		Q13_3 Supplier's lack of knowledge
		Q13_4 Supplier's irresponsibility
	culture	Q13_5 Lack of alternatives
		Q13_6 Cultural barriers between countries and regions
		Q13_7 Market barriers: the lack of a market structure for environmental practices

Appendix 5. Sum variables.

Benefits_management

	Q10_2	Q10_3	Q10_4	Q10_5	Q10_7
Q10_2	1				
Q10_3	0.83	1			
Q10_4	0.82	0.87	1		
Q10_5	0.72	0.79	0.87	1	
Q10_7	0.68	0.78	0.84	0.80	1
inter-item covariances	2.59	2.36	3.13	3.13	2.40
alpha	0.948	0.937	0.928	0.942	0.946
Cronbach's alpha	0.9516				

Values

	Q10_8	Q10_9
Q10_8	1	
Q10_9	0.71	1
inter-item covariances	1.93	1.75
Cronbach's alpha	0.8332	

Externaldrivers

	Q11_1	Q11_2	Q11_3	Q11_4	Q11_5	Q11_6	Q11_7
Q11_1	1						
Q11_2	0.77	1					
Q11_3	0.58	0.34	1				
Q11_4	0.31	0.46	0.42	1			
Q11_5	0.41	0.57	0.49	0.65	1		
Q11_6	0.55	0.70	0.57	0.60	0.82	1	
Q11_7	0.36	0.71	0.24	0.55	0.65	0.81	1
inter-item covariances	0.94	1.01	1.68	4.34	1.57	1.30	1.86
alpha	0.867	0.853	0.872	0.882	0.840	0.832	0.850
Cronbach's alpha	0.8743						

Strategy

	Q12_7	Q12_8	Q12_11
Q12_7	1		
Q12_8	0.96	1	
Q12_11	0.66	0.70	1
inter-item covariances	2.86	2.73	2.90
alpha	0.823	0.797	0.980
Cronbach's alpha	0.9109		

Costs_knowledge

	Q12_1	Q12_2	Q12_3	Q12_4	Q12_5	Q12_10
Q12_1	1					
Q12_2	0.56	1				
Q12_3	0.44	0.65	1			
Q12_4	0.34	0.59	0.49	1		
Q12_5	0.33	0.43	0.63	0.81	1	
Q12_10	0.18	0.54	0.68	0.44	0.42	1
inter-item covariances	2.05	2.93	2.56	3.10	2.46	2.57
alpha	0.869	0.825	0.819	0.830	0.832	0.851
Cronbach's alpha	0.8618					

Management

	Q12_6	Q12_14	Q12_15	Q12_16
Q12_6	1			
Q12_14	0.63	1		
Q12_15	0.85	0.63	1	
Q12_16	0.59	0.46	0.66	1
inter-item covariances	2.94	2.29	1.47	2.47
alpha	0.789	0.858	0.794	0.864
Cronbach's alpha	0.8650			

Regulations

	Q13_1	Q13_2	Q13_4
Q13_1	1		
Q13_2	0.78	1	
Q13_4	0.68	0.67	1
inter-item covariances	2.20	2.38	2.06
alpha	0.799	0.807	0.875
Cronbach's alpha	0.8791		

Culture

	Q13_6	Q13_7
Q13_6	1	
Q13_7	0.67	1
inter-item covariances	2.51	2.61
Cronbach's alpha	0.7988	

Appendix 6. Results of factor analysis.

	Benefits_management Factor 1	Values Factor 2	KMO	Uniqueness
Q10_2 Long-term economic benefits and profitability	0.90		0.84	0.19
Q10_3 Expected business benefits	0.92		0.87	0.14
Q10_4 Top management support	0.94		0.80	0.07
Q10_5 Corporate management	0.91		0.87	0.17
Q10_7 Training and education	0.86		0.84	0.21
Q10_8 Moral and ethical motivation in the organization		0.86	0.63	0.25
Q10_9 Company values		0.84	0.69	0.18
Eigenvalue	4.63	1.82		
Cumulative	0.58	0.81		

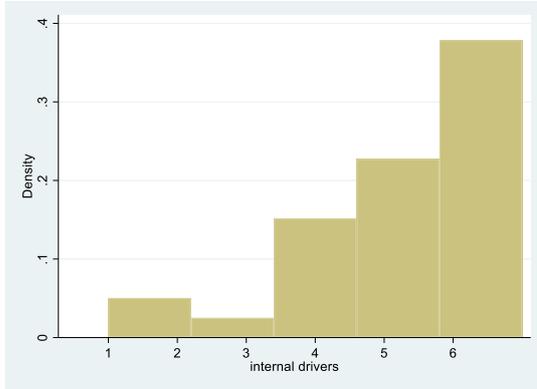
	Externaldrivers Factor 1	KMO	Uniqueness
Q11_1 Market pressure and demand	0.71	0.60	0.50
Q11_2 Competitive advantage	0.83	0.68	0.30
Q11_3 Regulations and legislations imposed by the government and other parties and compliance of these	0.64	0.69	0.59
Q11_4 ISO 14000	0.72	0.89	0.48
Q11_5 Increased public awareness	0.85	0.84	0.29
Q11_6 Maintaining a good reputation	0.93	0.78	0.14
Q11_7 Brand value	0.81	0.71	0.35
Eigenvalue	4.35		
Cumulative	0.62		

	Strategy Factor 1	Costs_knowledge Factor 2	Management Factor 3	KMO	Uniqueness
Q12_1 Increase of costs		0.68		0.49	0.36
Q12_2 Lack of financial resources		0.80		0.51	0.34
Q12_3 Financial pressure		0.85		0.61	0.27
Q12_4 Lack of knowledge		0.76		0.57	0.29
Q12_5 Lack of awareness		0.75		0.59	0.30
Q12_6 Lack of top management support and commitment			0.78	0.71	0.13
Q12_7 Lack of short term and long-term goals	0.80			0.78	0.10
Q12_8 Strategical difficulties	0.80			0.77	0.13
Q12_10 Resource costs		0.62		0.76	0.33
Q12_11 Lack of structures and processes	0.86			0.74	0.41
Q12_14 Quality criteria			0.89	0.47	0.20
Q12_15 Culture and negative attitudes towards responsibility			0.74	0.79	0.11
Q12_16 Lack of training and education			0.59	0.74	0.30
Eigenvalue	7.28	2.90	1.51		
Cumulative	0.45	0.64	0.73		

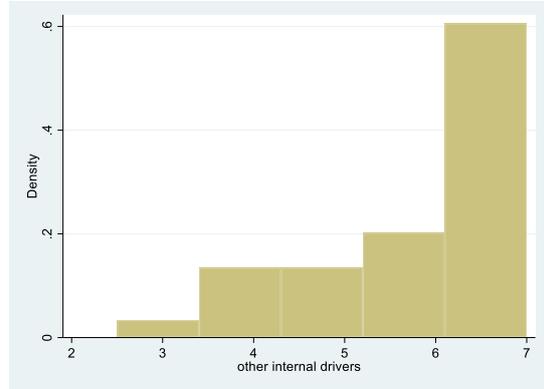
	Regulations Factor 1	Culture Factor 2	KMO	Uniqueness
Q13_1 Lack of regulations and standards	0.87		0.65	0.23
Q13_2 Legislation	0.90		0.69	0.19
Q13_4 Supplier's irresponsibility	0.84		0.83	0.26
Q13_6 Cultural barriers between countries and regions		0.90	0.47	0.19
Q13_7 Market barriers: the lack of a market structure for environmental practices		0.83	0.52	0.27
Eigenvalue	3.40	1.55		
Cumulative	0.49	0.71		

Appendix 7. Normal distribution of independent variables.

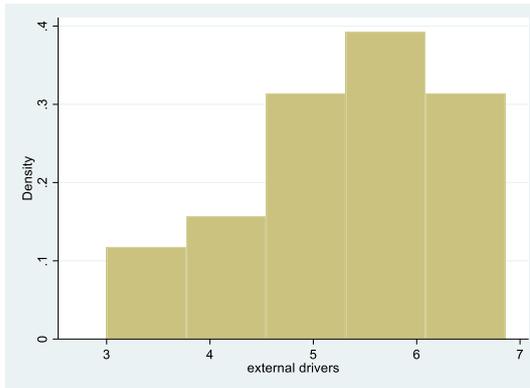
Benefits_management



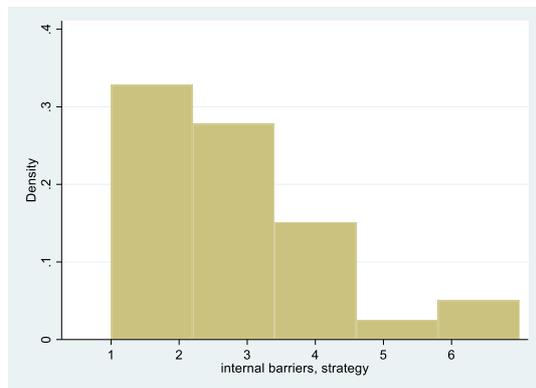
values



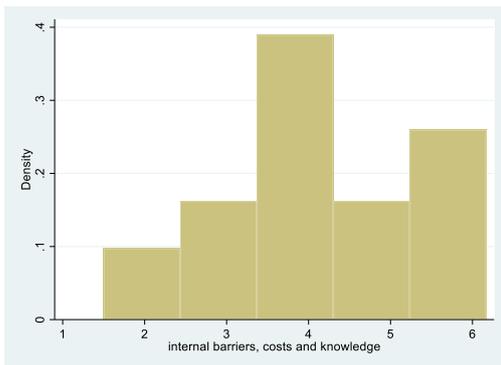
Externaldrivers



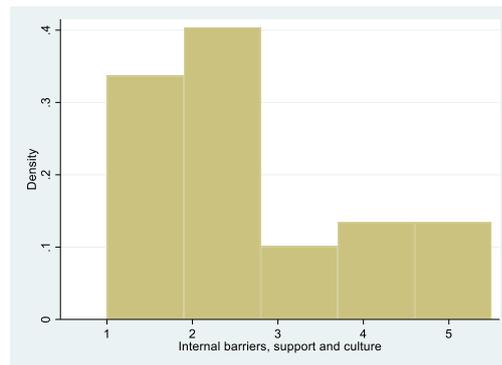
strategy



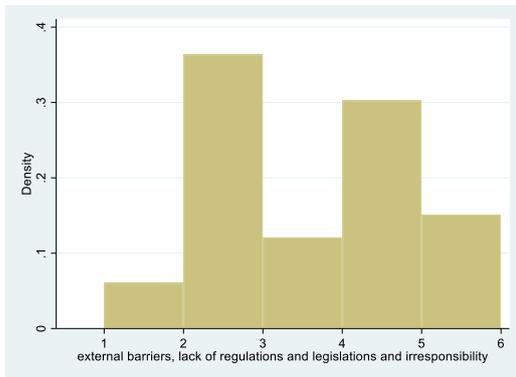
Costs_knowledge



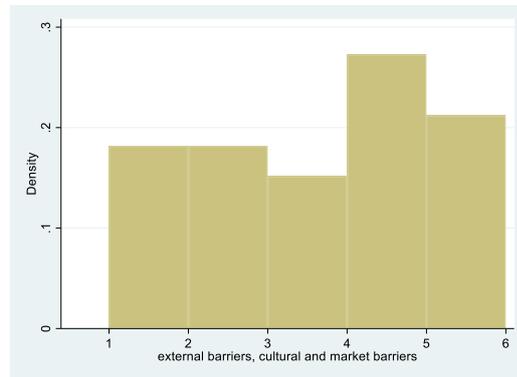
management



Regulations



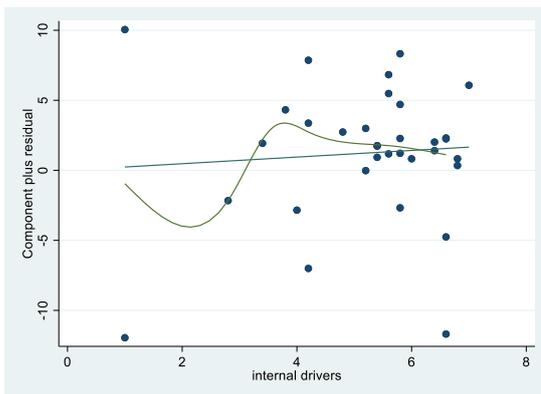
culture



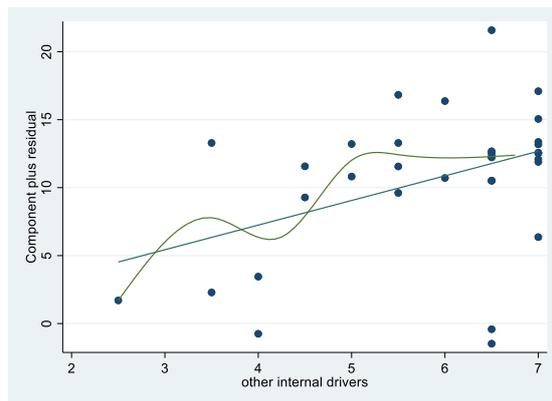
Appendix 8. Background assumptions for the first model.

Linear relationships

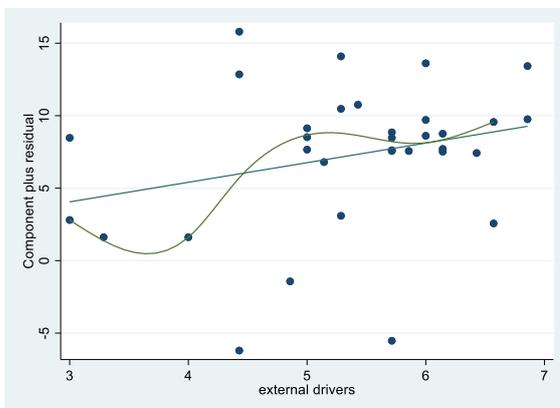
Benefits_management



values



externaldrivers



Model specification

Ramsey RESET test		
F(3, 26)	1.38	
Prob > F	0.2707	→ the null hypothesis remains valid

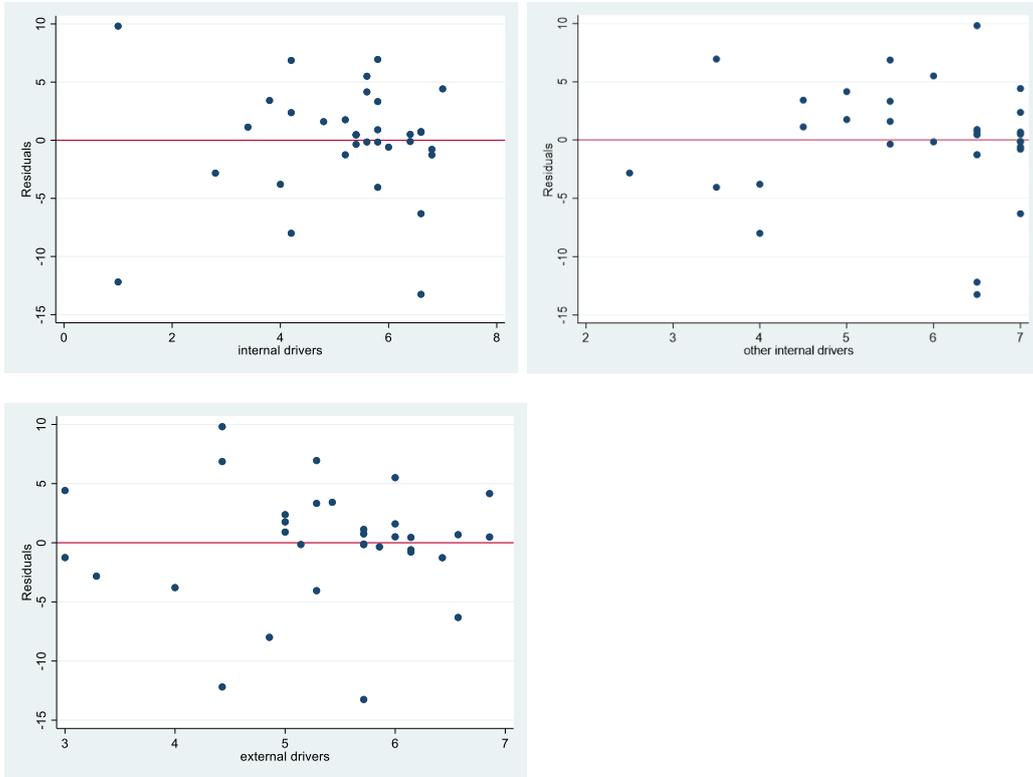
Homoskedasticity

White's test		
chi2(9)	14.74	
Prob > chi2	0.0982	→ the null hypothesis remains valid

Multicollinearity

Variable	VIF	1/VIF
benefits_management	1.33	0.7494
values	1.26	0.7945
externaldrivers	1.17	0.8527
Mean VIF	1.26	

Independence of the residual

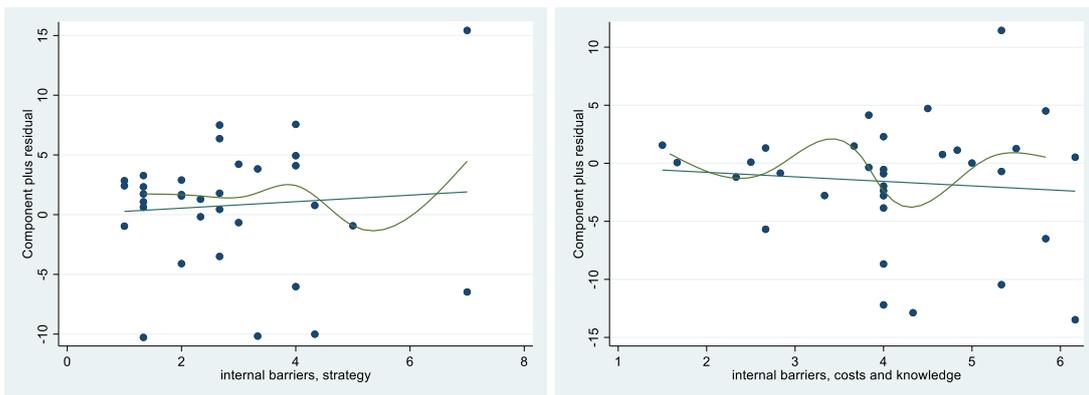


Appendix 9. Background assumptions for the second model.

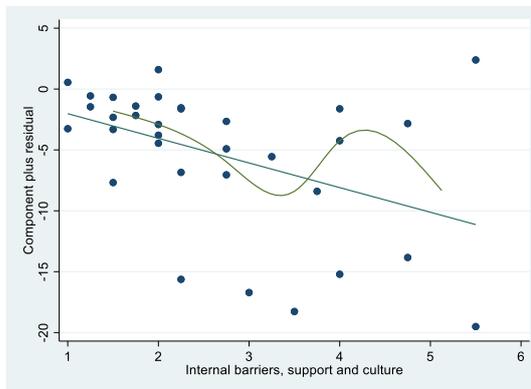
Linear relationship

Strategy

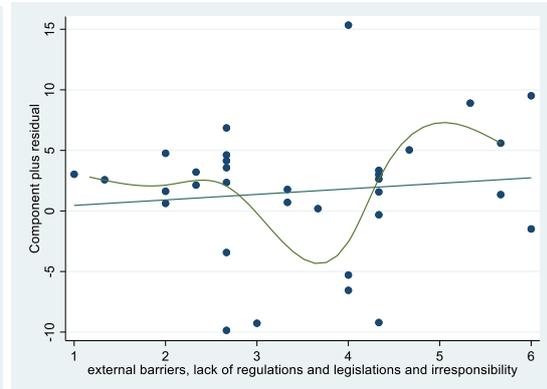
costs_knowledge



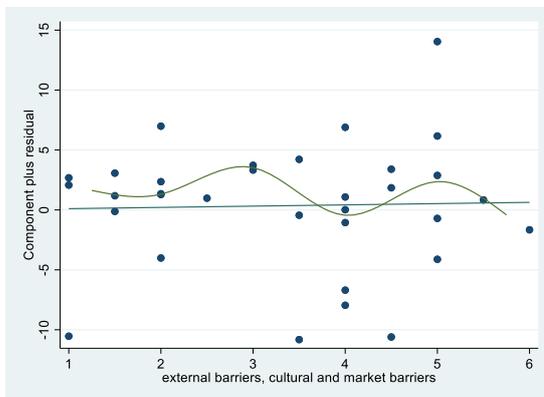
Management



regulations



culture



Model specification

Ramsey RESET test		
F(3, 24)	0.82	
Prob > F	0.4933	→ the null hypothesis remains valid

Homoskedasticity

White's test		
chi2(20)	22.17	
Prob > chi2	0.3313	→ the null hypothesis remains valid

Multicollinearity

Variable	VIF	1/VIF
management	2.60	0.3842
strategy	2.45	0.4075
regulations	1.52	0.6563
culture	1.44	0.6950
costs_knowledge	1.33	0.7523
Mean VIF	1.87	

Independence of the residual

