

Exploring Sustainable Sourcing in the Apparel Industry: Perspectives from Bangladesh and China

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Introduction and Literature Review. Recent literature indicates that more research needs to be undertaken in the area of sustainable sourcing (Ageron et al., 2012; Johnsen et al., 2017). As an ideal exemplifier of a global supply chain, the apparel industry is characterized by the intense use of chemical products and natural resources, significant issues with the generation of waste, and heavily criticized labor practices and working conditions. The scale of environmental and social impacts from global apparel production and consumption makes sustainable sourcing increasingly important in the contemporary business environment. China and Bangladesh are two leading apparel exporters in the global apparel markets – China has been the world’s largest apparel exporter since 2000, while Bangladesh has ranked among the top five largest apparel exporting countries to the US market since 2013 (The International Trade Administration, 2021). For both countries, sustainability is becoming an emerging industry emphasis. Yet, little attempt has been made to develop a comprehensive, systematic analysis of sustainable sourcing from the perspectives of the apparel industry in Bangladesh and China. To the researchers’ best knowledge, no previous empirical research on this topic has been conducted in the apparel industry in these two countries. The purpose of the study was to fill this gap by exploring sustainable sourcing issues from both Bangladeshi and Chinese apparel business professionals’ perspectives, including motives for sustainable sourcing, practices of sustainable sourcing, and the effect of sustainable sourcing on firm performance.

This study uses the natural resource–based view (NRBV) of the firm (Hart, 1995; Hart & Dowell, 2011) as the theoretical framework. Hart’s (1995) NRBV recognizes that a firm’s future competitive advantage is rooted in its “capabilities that facilitate environmentally sustainable economic activity” (p. 991). Hart’s NRBV theory takes into account a focus on the natural environment, and his idea of competitive advantage is based on the firm’s relationship with the natural environment via three interconnected strategies: pollution prevention, product stewardship and sustainable development (Hart, 1995; Hart & Dowell, 2011). The NRBV framework provides a theoretical mechanism through which the link between apparel sustainability strategies and practices and apparel firm performance can be established.

Research Method. To achieve the research goal, a qualitative approach was adopted, and specifically in-depth interviews with a purposive sample. After receiving Institutional Review Board approval, the researchers recruited the participants for the study using a snowball sampling technique through their existing network connections with apparel sourcing practitioners in Bangladesh and China. In total, 18 interviews were completed in China and 15 interviews were completed in Bangladesh. The sample size was determined upon data saturation (Hodges, 2011). Interviews were conducted by phone or through Internet chat/meeting tools (WeChat, Zoom, etc.). With the participants’ consent, the interviews were video or audio recorded. Each interview lasted approximately 70 minutes to two hours. The interviews began with the participant’s description of their firm’s background and their responsibilities, followed by such questions as, “*What are the main benefits and motivations for sustainable sourcing?*” and “*How is sustainability integrated into your company’s sourcing and supply chain management?*” The interviews with apparel practitioners in Bangladesh were conducted in English and the interviews with Chinese apparel practitioners

were in Chinese. All interviews were transcribed and then translated, if needed. Interview texts were analyzed collectively to identify common themes within the data (Braun & Clarke, 2006) regarding sustainable sourcing in the apparel industry. All members of the research team participated in reviewing the data, generating codes, identifying themes, and writing results (Braun & Clarke, 2006; Creswell & Poth, 2018).

Results. The themes that emerged across the interview data are illustrated in Figure 1. Based on the data, the *motives* for an apparel firm's sustainable sourcing could be categorized into extrinsic and intrinsic motives. Intrinsic motives are related to firm-specific internal drivers and extrinsic motives are mainly from market drivers like buyers and consumers. Both types of motives interact to influence an apparel firm's decision to engage in sustainable sourcing. For example, one participant stated, "I think to offer a different choice for our customers. We want to be able to offer a sustainable product that they want. Also, sometimes I realize a lot of our industry's practice is putting heavy stress on our environment and this impacts me and my family. After all, we all live here" (CN02). Likewise, another participant commented, "Yeah, I think that without sustainability it's not possible to continue business for a long time. Because sustainable sourcing makes the business stable and will help the business run for a long time. And that will also bring the customer satisfaction and internal confidence that we are doing good" (BD12).

It was found that an apparel firm's *sustainable practices* include product innovation, sustainable processes, and supply chain collaboration. Participants highlighted the importance of sustainable materials (natural fibers and recycled polyester fibers) and sustainable design in product development. Sustainable processes are critical for apparel firms, especially for denim manufacturers, as one participant explained, "If I say for one denim product, previously it required one kg of garment for 100 kg of water. Now it's possible to make the same product with 50-60 kg of water. So, this way we are saving huge [amounts of] water and chemical dosing is already reduced" (BD02). Supply chain collaboration, which includes collaboration on the supply-side and the demand side, is necessary for implementing sustainable sourcing. Sustainable sourcing leads to better *firm performance*, including positive operational and environmental performance. However, participants had mixed views about financial performance, as many of them emphasized the extra costs associated with sustainable sourcing. Overall, participants agreed that sustainable sourcing increased their firms' competitiveness in the global market. For example, "Initially a negative impact on profits was foreseen. Once the sustainability programs were in place, the impact was not that bad, since a better employee retention rate helps us to have better production efficiency and a lot of cost savings" (CN15).

Conclusions and Implications. This study examined sustainable sourcing in the apparel industry from the perspectives of the two leading apparel manufacturing countries: China and Bangladesh. Applying the NRBV theory, this study analyzed motives, practices, and performance indicators for sustainable sourcing. Major findings indicate that apparel firms in Bangladesh and China have been developing their capabilities to adopt proactive sustainability strategies and practices to achieve competitive advantage from sustainable development. The study provides useful contributions to both research and practice. The framework developed in this study is an innovative synthesis of the key elements related to sustainable sourcing, and the results may help apparel firms identify good practices to adopt as they pursue sustainability objectives.

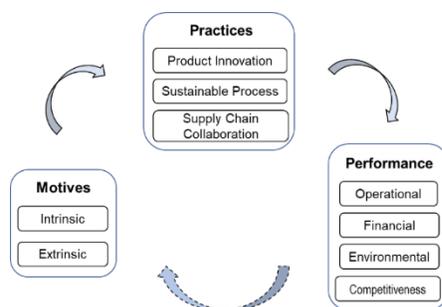


Figure 1. The Themes

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