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CORPORATE SOCIAL RESPONSIBILITY: COMPETITIVENESS IN THE CONTEXT OF TEXTILE AND FASHION VALUE CHAIN

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Abstract

In this paper we address Corporate Social Responsibility (CSR) as a competitive factor in textile and fashion value chain. CSR assumes a large range of activities focused on one or multiple targets, from work conditions to social programs, or environmental impact. The influence of CSR strategies on market performance depend on how truthful consumers will understand and believe to be the values offered by companies. The qualitative research has considered seven case studies from Portuguese textiles and fashion companies. We have found that a major obstacle to SMEs was the cost of CSR programs and their internal and external communication. As a rule, SMEs have small financial investment capabilities and their human resources tend to be scarce and not available to engage more responsibilities. Moreover, managers argue they compete in the market with companies that have low production as well as low social and environmental costs. If CSR strategies establish a set of clear and transparent practices, consumers will be able to compare across world suppliers, will result in additional costs and clients are not willing to pay for. The development of an accreditation system, able to clearly establish the reality of CSR practices within companies, is an important contribution to the implementation of CSR strategies into the textile and clothing sectors. The researchers have developed a system that can be managed step-by-step, and implemented progressively as companies receive and evaluate market feedback. The system introduces a clear communication about the company's actions and commitment to CSR, resulting in an unique label, capable of stating to whom it may concern, the company's present situation and its development year after year.

Key words: Corporate Social Responsibility (CSR), ethical corporate management, SMEs, sustainable development, textile and fashion

Received: February, 2016; Revised final: January, 2017; Accepted: April, 2017

1. Introduction

Corporate Social Responsibility (CSR) represents a relatively new dimension in global market competitiveness and it is inexorably connected to a company's and economy's sustainability. People's quality of life and the individual or collective well-being depend, in multiple ways, of the width and breadth which companies accept CSR as a strategy and a source of sustainability (European Commission, 2008a).

CSR strategies are typically the arena of companies with significant social and environmental impact: oil and gas, energy producing, among others. In the last two decades however, changing patterns in

consumer behaviour, in particular in the most developed states, has led to a different trend in the global market competition (Strange and Bayley, 2008). The purchasing criteria currently reflects a growth in the ecological and ethical conscience; the economic crisis has accelerated this change in values and purchase priorities, progressively interwoven with worries of unemployment, climate change, the sustainability of Social Security systems and quality of life (Flatters and Willmott, 2009). We are witnessing a paradigm shift in social, economic and sustainability issues and in this context CSR has become an integral concept both for companies as well as for political systems (Wright, 2013). In Europe, the greater emphasis on CSR has affected all

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levels, from local or regional to national or international. These concepts find proximity to the European Union free-market and its currency, and no European state is immune to its repercussions.

The sustainable development depends on the integration of research, innovation, design and creativity at all levels, from economic activities to territorial planning, throughout the aspects of individual's social life and affecting his quality of life (Castells, 2010).

According to the Work Foundation, companies should establish CSR strategies that demonstrate a long term commitment with the knowledge economy, and develop sustainable economic recovery plans in which growth, investment and new jobs are properly defined. Multiple organizations have continually pointed to the need to find sustainable solutions, irrespective of the approach: the States, regions, industries, services, health, or society (Brinkley, 2013).

Concurrently, the Internet expanded social networks, linking individuals and groups. Sources of information have multiplied and mass media shares a stage with private and public, individual and informal sources of information. The greater reach of an individual's voice has widened the sphere of influence in companies and has altered the relationship between both consumers and suppliers, has increased the pressure of competition and, most of all, has created favourable conditions for small companies to enter the market or to acquire new markets. It has become an inevitable vehicle of communication, promotion and/or sale that both rivals and complements traditional means of communication and commerce (Frauendorf et al., 2007).

Textile and fashion industries have built a highly complex and globalised value chain. Its economic, social, and environmental impact has been widely documented since this sector employs millions of workers, processes billions of tons of raw materials per year, leaves a negative environmental impacts on soil, water and air, and generates mountains of waste all over the world (Allwood et al., 2006; European Commission, 2011b; Mair et al., 2016; McMullen et al., 2014).

In the last three decades of the 20th century, we have witnessed a growth of orientation within fashion companies, for a more ecological and ethical practices, despite some tragic situations that had occurred in Asia (Taplin, 2014). *Being green* became a major differentiation to fashion brands. This focus was complemented by concerns with human rights, security at work, fair trade, and sustainability. Slowly at first, but getting the pace after 2000, fashion brands became more and more ethical and its major international players had adopted CSR strategies (Allwood et al., 2006). This movement was strongly influenced by consumers who use their purchase power as an ideological statement towards companies' responsible behaviour, even in fast fashion (Bruce and Daly, 2006). Sector practices

changed, innovation and design started to be oriented to social and environmental concerns, and new business proposals emerged. This movement have been considered, among other approaches, the remanufacture of products, which aim is to reduce negative impacts from industry on environment. It was already proven that in China remanufacturing of fashion products enhances company's competitiveness and the Government support to remanufacturing is a strong message to companies, which can be implemented in many other countries (Wang et al., 2014).

Communication efficiency, publicity, promotion and sales are within reach of the consumer that can access any information, about any product or company in the global internet. If the information isn't made available by a company or group, it is likely that other source will, being it trustworthy or not. In fact, in respect to the environmental aspects, consumers' approach on eco-information depends on their level of understanding and belief. Even when ecolabelling is granted by an independent product evaluation process, it must be known and accurate. Misbelieve about what eco-labels stand for, and insufficient market penetration of those labels reduce significantly the credibility, the impact on market performance and the investments made on environmental sustainability (Taufique et al., 2014).

Sustainability flows from companies to their value chains, from monitoring to action and transparency, from tangible to the intangible. The economy, whether it is defined by knowledge, creative or information, has intangibles as key competitive factors and the main source of value in modern companies. Competitive advantages reside more in the minds of managers and human resources than in an organization material resource portfolio (Teece, 1998). Values are more important than ever in shaping a sustainable society. Although the same consumption behaviours can be observed, the values underlying those behaviours can be quite different (Balaji and Mani, 2014). Values are influenced by society, and sustainable consumption behaviour must occur at the collective level, since significant changes must take place at the very core-values of society (Power and Mont, 2010).

It is in this context that CSR is understood, not as a group of activities that contributes to create value to a company's image and/or brand but, most of all, as a sustainability strategy in which its future market success depend upon, independently of its size or its place in the value chain (Rakic and Rakic, 2015). The development of competitive advantages in the field of CSR depends on the depth in which it is assumed as a key competitive factor at a strategic level, especially in the means by which a company and its supply chain can propose innovative and creative approaches, which produce measurable and observable results on the various CSR core subjects (Van Halen et al., 2005).

CSR is a business frame that leads to an improved market performance and competitive

development. This focus is strongly procured in most countries and represents a new challenge in new industrialized economies such as China, where companies are encouraged to invest in CSR systems to improve competitiveness and achieve higher economic performance (Zhang et al., 2014).

2. Problem formulation

The application of CSR strategies varies greatly, in terms of methods and scope, depending on the company's size, the nature of its work, the cultural and social background of its employees, its impact on the local communities, its goals (Teece, 1998). Quantifying and tracking a company's progress, the implementation of further reaching objectives and more meaningful impacts, is in itself an ongoing object of debate. In particular, small and medium sized companies usually face a lack of resources to allocate personnel to CSR planning or to take advantage of their already implemented CSR actions (Dahlsrud, 2008).

Another aspect often overlooked is the value chain and the lifecycle aspects of CSR. Small and medium sized companies can rarely afford to inspect their full supply chain and are seldom in a position to request a behaviour model. Rarely do they have the clout to affect change by themselves. Even the most well-meaning companies face the challenge of having to trust suppliers and partner being physically removed from the parent company's location.

This article presents a specific integrated approach that merges a qualitative and quantitative structure to evaluate companies' CSR initiatives and results, while simultaneously proposing a communication tool to present their commitment to its stakeholders in a simple and visually interesting manner. Furthermore, the method proposed was designed specifically to support small and medium sized enterprises take full advantage of their own CSR plans, regardless of their place in the value chain. Additionally, its ultimate goal is to influence and encourage both members of its supply chain as well as its competitors to spread best-practices in CSR as well as to help sustain a market that can commit to principles of sustainable development vertically, in all aspects of production, even those aspects that are outsourced.

3. Methodology

There were four distinct phases of this project. Initially was made a literature review about general information on CSR methods, definitions and current practices was gathered, to form a theoretical and a reference framework.

Secondly, models of CSR ranking systems were studied, as well as those that present quantitative approaches. Once the main principles and concepts were chosen to integrate this model, several parameters were proposed that reflected the different areas of CSR and they were considered in

the questionnaire.

The third step have analysed seven case studies within Portuguese textile and fashion companies. An interview was prepared and designed, using a questionnaire to guide the conversation, and it was later presented to the companies' higher managers. Their answers were registered, interpreted, and used to prepare the model of CSR.

The qualitative methodology was chosen for this research, since it was considered appropriate to investigate a small sample of entities (Saunders et al., 2009; Yin, 2009). According to Mark Saunders et al. (2007), the types of studies often developed under qualitative methods of investigation are exploratory, descriptive and explanatory, or the combination of them. Therefore, the investigation has collected data from seven Portuguese textile and clothing companies, through interviews, supported by questionnaires that have guided the research within a common framework. Usually, the case study analysis arises from a desire to better understand a complex social phenomenon, allowing the researcher to focus on a case while still maintaining a holistic perspective (Yin, 2009).

This model, proposed by the researchers, was tested within the studied companies. The results were then presented and discussed in a focus group formed by sector stakeholders: companies' higher managers, research centres technicians, trade unions representatives, industrial associations representatives, local government officials, designers and marketing professionals. Each participant has presented input about the model and its application.

4. Conceptual framework

Corporate Social Responsibility is composed by four areas, each one divided into different aspects and impacts: Market, Social, Environment, and Stakeholders. The volunteer adoption of CSR strategies means that they go beyond what is legally expected; therefore, they can be controlled by the company, which can monitor their effects on its sustainability and competitiveness (Apospori et al., 2012).

4.1. CSR as a competitive factor

Several studies have already shown that CSR can translate into a meaningful company growth (Aguilera et al., 2007; Jenkins, 2009; Spence, 2007), namely in:

- Added Competitiveness – reinforcing the company and brands' image in the market, as a proactive company.
- Sustainability – promoting the qualitative change within the organization, favouring workers growth, motivation and commitment towards the company; favouring its stakeholder's acceptance.
- Innovation – the need to satisfy their clients' needs other than simply observing performance, leads to the adoption of new ways of reaching

objectives that encompass long term goals.

- A profit margin booster – in the present phase, the adoption of CSR is viewed as a means of offering products and services at premium prices, or as a possibility of reaching long term cooperation agreements with clients that value its principles.

The sustainable development of a company is the main appeal of CSR. Numerous companies and organizations include their CSR plans, activities and results in their Sustainability Reports.

This approach is logical, as CSR implies the involvement of every level of an organization and generates direct and indirect, short and long term results in all areas of a business, as well as its performance in the market. Therefore, implementing a CSR system is necessarily a holistic approach.

View a company as a whole and not merely the sum of different parts, is vital to understand the company as being part of a broader system. The company is part of the social dimension, it belongs to a city or a country, and thus it cannot ignore its impact on them, nor it can fail to capitalize on the inherited advantages when embracing a broader view of its activities.

4.2. Advantages and costs in the adoption of CSR systems

4.2.1. Advantages

The implementation of integrated CSR systems can work as an incentive to push a company toward higher levels of sustainable competitiveness. The main advantage, however, is the company to become a learning organization, committed to its own success as well as to the social and environmental sustainability of the surrounding community.

For companies, the suitable conditions for generating sustainable development are highly desirable. For Governments this approach represents the foundation for the social and economic sustainability of their territories. Increasingly, local or national Governments have been pursuing an increase in regional and national income, increased human resource training and employability, as well as mental and physical well-being of the population. The European Union, in particular, has focused in several initiatives to support and further develop CSR within its member states.

The large volume of work and diversity of plans and actions have reached a critical mass that allows a greater structuring and concert of efforts between companies and sectors, both nationally and internationally (European Commission, 2008b, 2011a, 2011b). The current pressure from international competition has only grown with the world economic crisis, which has become the main catalyst, awakening the desire for new approaches and a greater demand for CSR.

The competitive patterns are shifting, once again, toward the immaterial values, and in turn the consumption patterns are also trending towards a

more rationalized use of resources and lesser consumption. Consumers are demanding more value for the same cost, tending to prefer brands and products that they feel will actively contribute to their well-being in multiple ways (Zaccai, 2007).

This pattern of consumption is important for the sustainability of European companies, which risk to be removed from the market, if they establish the price as being their only competitive factor (Singleton, 1994). Currently, what is happening is a process similar to that of the introduction of Quality: initially companies could get premium prices for certified products and, slowly, quality became an integral part of the offer, structuring the simple price competitiveness of companies (Griffin, 2013). This means that the competitive advantage became a competitive factor. It is important to note that whenever the price is maintained and the product improved (goods, associated services, intrinsic value), the new relation price/quality will be perceived by the consumer, as a price drop.

The main advantage of adopting consistent CSR strategies is the company positioning in a specific area of CSR, which allows a maximum market differentiation, and the possibility of implementing gradual changes, adapted to its cultural and structural characteristics.

4.2.2. Implementing CSR systems

The implementation of a simplified system is a proportionally easier process, than implementing an integrated CSR system. However, the capacity to do so reflects the global competence of the company toward the market in general and its clients in particular (Asif et al., 2013). Conversely, not adopting CSR practices can lead a company to have a harder time finding new clients, if their current ones, focused mainly on market price, move their orders to non-European suppliers.

Material and immaterial competitive factors behave diametrically reverse in their impact on early adopting organizations: the material (equipment, technology, processes) represent added risks to the innovators and low risks for imitators, when they finally adopt, equipment, technology and processes have been tested, improved, adapted; the immaterial competitive factors however, offer advantages to either innovators or early adopters, since it implies a slow assimilation adjusted to the organization, and it's hard to appropriate or copy "pre-tested" packages.

While material competitiveness factors depend on secrecy, immaterial ones, namely CSR, broad dissemination of information is the key to success: the faster and more completely known the CSR strategies, the greater it benefits the company, its image and economic performance (Epstein and Buhovac, 2014).

4.2.3. Costs of adopting and implementing CSR strategies

The costs of implementing CSR strategies are

directly dependent on:

- Company specific characteristics, dimension and complexity of its structure and functioning model, the extent of its clients and supply chain, the company culture, among others;
- Social conditions of the surrounding area and of the market where it operates;
- Specificity of the adopted CSR strategies.

The case studies have shown that the costs/investments are directly proportional to the benefits that a company strives for, considering its market and its size (Baumann-Pauly et al., 2013).

4.3. CSR in national textile companies

The textile and apparel industry is characterized by an extensive and complex value chain and, in Portugal, it's comprised predominantly by SME, with a high percentage of small companies (under 100 workers) (ATP, 2012).

The interdependency of the companies is considerable and, although they don't organize networks, there is a connection based on client/supplier relationships and trust bonds between companies (Mair et al., 2016). Multiple studies have shown the existence of several business models in the industrial sector (ATP, 2012; Bank of Portugal, 2012), and that a small number of companies act as agents with international clients. These companies are responsible for the indirect export of companies in multiple areas of activity, from fabrics to finished goods, clothing manufacture, etc. Their function is to attract orders and manage production through their group of suppliers. Increasingly, these companies structure their offer in an integrated fashion, i.e. they supply their client with assistance in the manufacture of apparel collections and not just clothing but accessories and shoes. The home textile industry as also broadened its product lines, including bed linens and bathroom textiles (Bank of Portugal, 2012).

The flexibility of the offer has increased substantially, with textile companies launching their own collections either through their label or the through clients' collections, as well reducing the number of pieces per order and shortening delivery times. These two elements in particular have sustained the sector competitiveness throughout the last decade, as clients wanted a greater variety of models and colours and fewer and fewer pieces for each colour and model (CITEVE, 2012).

The sector durability is an evidence of the companies' proficiency and their adaptability. The economic crisis, due to its global scope, is removing the least competitive companies and forcing the remaining ones to restructure their organizations and alter their management models to increase their competitiveness.

Textile and apparel in Portugal has been the target of a 2008 study (AMAVE, Project n° VS/2006/0351, unpublished) which involved several small and medium companies within the textile and clothing manufacture sector, with the objective of

implementing CSR systems. This study has shown that the costs of their implementation can be substantially reduced whenever the environmental impact of their activity is low (clothing manufacture, for example) and when companies already have suitable protective environmental systems for their production activities.

Another interesting result pointed out by the study was the confirmation that most companies had already implemented activities, both internal and external, with the specific purpose of positively impact both their workers quality of life and the social environment around their production facilities. Their managers considered these activities "natural and common sense" going as far as offering production surplus and other materials to NGO, institutions, schools and local craftsmen. A lot of actions in the scope of CSR strategies can be considered "common sense" and don't translate into additional costs, even collaborating for its reduction, such as greater energy efficiency.

The main concern, for these initiatives, is the lack of coordinated effort, even within the companies, where actions tend to be sporadic and opportunities arose, but not as a result of a continued effort by the company to self-improve; also the lack of communication between the company and its external audience, limit their impact into a very small group of people, hiding several very positive activities and results.

4.4. CSR study in Portuguese textile and fashion companies

The companies selected to the study represented the Portuguese textile and fashion sector: 1 big apparel company; 1 finishing company; 1 fashion company (three market brands and production to international private labels); 1 knitted fabric industry (children cloth brand and production to international private labels); 1 fashion products development (international commercial agent – product development and subcontractor of other local companies), with indoor apparel production; 1 textile industry with a jeans wear brand (with national retail chain and international retail clients); 1 small knitted fabric apparel production (with a dance apparel brand and production to international specialized private labels, underwear and beachwear).

The questionnaire focused in three questions (supported in Fig. 1): 1- What are the company present practices on CSR? 2- What conditions CSR present and future practices? 3- How management forecasts the investment in CSR?

The interviewed participants were higher managers or/and executive managers. The researchers visited the manufacturing plants and other facilities. During the meeting, the objectives were presented, and the managers were questioned if they were available to test the CSR model. All companies considered the model goals and concepts suitable to be implemented in their companies and

accepted to maintain their participation in the research project.

The answers were all very similar and consistent. The interviewed declared their knowledge on CSR and that the practices they implement are focused on clients' requirements and/or final costs containment. They referred investments done on activities related with reduction of energy consumption and waste reusing or sale to reuse. Both activities resulted in economic benefits. Only two companies have referred activities not directly related to production processes. One company offered their workers legal advice and sports activities; another one had an organic vegetable garden and cooks a fresh vegetable soup to serve the workers during lunch. Another company offers shred knitted fabric to local craftsmen and social institutions so they can remanufacture the material into rugs and dolls. These companies management didn't see those practices as CSR. They simply refer to them as "common sense decisions" or "it has to do with the company's culture".

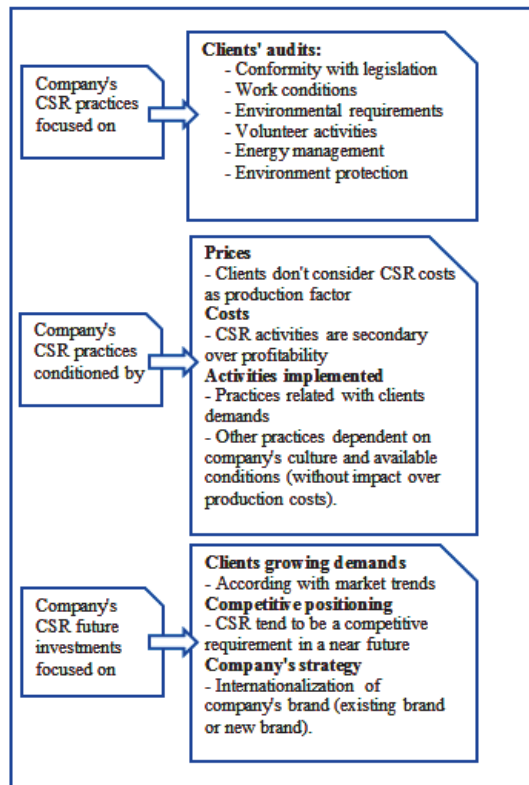


Fig. 1. Approach to CSR of studied companies

5. CSR Model

5.1. Preconditions for the construction of the model

The current market and competitiveness conditions determined that the model must consider four structuring conditions: differentiation, simplicity, adequacy and strategic reach.

The first precondition in the CSR Pyramid Model concerns the necessity of a ranking system

which can, in a transparent manner, differentiate the reach and real impacts of the adopted programs and strategies in the various areas of CSR by each company.

The second refers to the simplicity in communication and comprehension of the main objectives and areas affected by the various stakeholders.

The third considers the adequacy of the model to a long and complex supply chain, where each intermediary company presents great different characteristics and produce different impacts, especially environmental. The diversity is directly linked to the type of activity and size of the organization.

The fourth and final precondition falls into the strategic character of the model, in its capacity to select an appropriate CSR strategy in accordance with the stated mission and objectives of each company and to offer clear suggestions of paths and what outcomes to be expected.

5.2. Model structure

After considering the model preconditions, in order to implement it, there was a need to distinguish better strategic CSR levels and practices in the four areas, Workplace, Marketplace, Environment and Society.

The structuring of the model by levels has three advantages:

- It evaluates between actual CSR practices and "cosmetic" greenwashing actions, usually adopted as a mitigating response to some negative public opinion, resulting from the company's unethical activities or some damage to the consumer, the environment, society in general, or the workers in particular. The existence of a ranking, evaluated by independent entities, and later publicized, protects the principle of transparency, inherent to CSR, as well as the company credibility and reinforces its practices;

- It offers the company a vision of continuity and evolution within the system, by presenting a schematic of possibilities and opportunities for strategic intervention. Considering that each company is, in itself, a system with specific characteristics in several levels, with their own competences and resources, the existence of an easy to read ranking allows management to define its own targets and to assess in which level it can/want strategically aim for. This means that the ranking is a source of information, guidance and support to CSR planning;

- The ranking can stimulate internal action, for the most proactive companies, and external action for others, since knowing its position relatively to its competition tends to encourage strides along a value chain.

The selected approach for the creation of a CSR levelled system was focused on motivational theories, mainly Maslow's. Alderfer (1989) has

proposed ERG theory (Existence Needs, Relatedness Needs and Growth Needs), Herzberg et al. (1959) have proposed Two-Factor theory (Hygiene Factors - Working conditions; Company Policies; Interpersonal Relations; and Motivation Factors - Recognition; Advancement and Growth, Responsibility, Work Itself, and Achievement), however the Motivational Theory of Maslow, known commonly as Maslow's Hierarchy of Needs (Wahba and Bridweel, 1976) was the chosen one. It not only stratifies different levels, a criteria that the model must meet, but it presents several advantages:

1. It's a familiar theory in the context of a company (in both management and leadership training, communication, etc. the theory is widely used).

2. Maslow's Hierarchy has been adapted by multiple authors to different business contexts (from individual needs to group needs).

3. The use of Maslow's theory to CSR allows the comparison between different approaches and it is fairly easy to be integrated into a step-by-step approach.

4. The levels (or rankings) use a relatively simple logic, easy to communicate, another precondition of the developed model, since the information is meant to be amply divulged to people with varying degrees of education and professional occupations.

The levels of the Model, from 1 to 8, establish degrees of increasing complexity according to a systemic and systematic perspective. The structure was defined by the four main areas of CSR intervention, and it can be shown as a general outlook of what each comprises.

From the top to bottom:

8th level: Transcendence – the company assumes a responsible position in the global market; the company is a competitive organization with a global image, it produces change in a global scale, participating or initiating a wide range of activities.

7th level: Self-realization – the company is integrated in the socioeconomic environment seamlessly, assuming a natural leadership role in it; it focuses in creating/taking advantage of new opportunities in the market. It can influence other companies and stakeholders.

6th level: Aesthetic needs – Increased Notoriety; the company focus on highly skilled employees, that are proud to belong to it, the market recognizes the company's/brand position as a reference; highly functional, human and harmonious working environment.

5th level: Cognitive – Sustainable company, long term strategic goals setting; the company is structured as a learning organization, guided by continuous self-improvement; it cooperates with clients and suppliers to reach its CSR goals more effectively;

4th level: Recognition – Positive market differentiation conditions; development of immaterial competitive advantages; recognized competence, investment in workers motivation and good

performance, personal evolution and career;

3rd level: Belong or social – Company acceptance in the market, equal opportunity conditions inside the company; the company fosters a non-discriminatory working environment, practices fair trade and communicates with stakeholders in an open and honest way;

2nd level: Security – The company maintains the necessary competitiveness for its continued survival in the market. It meets all necessary health, safety and security requisites in its work environment and to its clients/consumers.

1st level: Meets present survival conditions – Meets the bare minimum required for its continued business in the short term, basic subsistence needs for its workers and their families.

For each level of the model a questionnaire was developed, tailored to evaluate a company's level of adherence to CSR practices, and to assess in which level they fell into. The questionnaire extensiveness does not permit a reproduction in this paper, however there are some important aspect to note. Each area of CSR was gathered in a separate questionnaire, each questionnaire having 8 separate groups of questions, corresponding to the 8 level of needs considered; a company could not be considered to be occupying a level until it presented at least two thirds positive answers in the previous level.

The questions proposed were considered broadly to account for the fact that a CSR accommodates multiple different interpretations.

The basic level would have to be met to even consider any other activity in the CSR spectrum as something more than a public relations campaign, i.e. when a company cannot meet at least the legal requirements or when it presents several and continuous complains by its workers, unions, clients, suppliers or authorities, it can't be considered for any evaluation without rectifying or addressing these aspects. The relative weight of each area is normalized, meaning each area of CSR is evaluated separately and even though the number of questions is not the same for each, the group has the same worth. This was of course a necessity and it encourages companies to improve in multiple areas, or at least not completely neglect any aspect, once again reinforcing the holistic basis of CSR.

The answers must be audited to validate the questionnaire and the results must be re-evaluated periodically.

6. Model application system

6.1. Articulation between the Model and a company's sustainability strategy

The accreditation of a company using the CSR model will result, initially, from the positioning defined by management. It can decide to implement the system in only one area of CSR considered to be adequate to its sustainability and market but the resources it plans on mobilizing around CSR.

However, a company can only be accredited if it meets a minimum threshold in all areas, specifically Market, Social, Environment, and Stakeholders, must be at least above level 1.

6.2. Company profile communication system

The model meets its objectives when it allows a company to communicate its CSR profile in a transparent and clear manner. The model considered the presentation of a small page report and a personalized label or rubric for each company.

The label or rubric (Fig. 2) was designed to be easily identified and is presented below in its black and white version. There were created two colour combinations: blue/cyan for Market, pink/light pink for Social, green/yellow for Environment and orange/red for Stakeholders.

The label or rubric “fills up” depending on a company’s performance, and can include a small number to make it easier to read, depending on size and preferred communication channels.

The seal was designed specifically to be compatible with most types of communication tools, both digital and analogue, and to be easily adaptable in colour and grey scale to avoid any conflict with a brand’s own visual communication style.

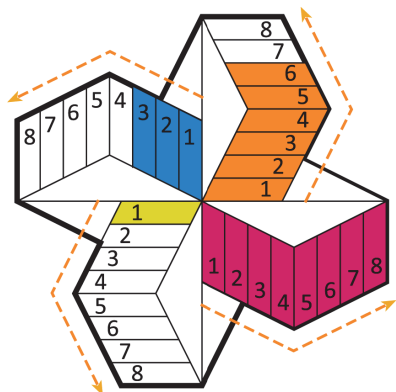


Fig. 2. CSR Model identity label or rubric (first version)

7. System implementation

7.1. Test and validation

The developed model, its criteria, and implementation methods, were presented to the companies approached by the study, to test its weaknesses and advantages. The results were favourable and it was consensual that it was important to sensitize the public and create/consolidate the demand for accredited CSR products. All managers also reinforced the need to keep the model implementation simple and approachable for its communication to be possible within a company’s own communication strategies.

The model proposed represents a system that can be managed step-by-step, according to the

available resources, and implemented progressively as companies receive and evaluate market feedback. The changes that may occur incorporate the suggestions received from the market and from all the stakeholders, in order to fulfil the CSRs’ requirements. The system has also proposed a clear communication about the companies’ CSR commitment and actions, resulting in an individualized label or rubric able to state and share, to whom it may concern, the companies’ situation and its’ annual development.

The image shown in Fig. 2, “CSR Model identity label or rubric” represents a new approach and a proposal to compare different performances in CSR politics followed by the Portuguese companies. The inquired CEOs have confirmed the novelty and interest of this label or rubric, but they have considered that it needs to be communicated and assumed by others partners from the fashion value chain and communities.

7.2. Experimental implementation of the system

The model characteristics allow, conceptually, its adoption by companies in the textile sector, despite their size, activities or organizational characteristics. However, its implementation requires a testing that encompasses the entire sector value chain and different competitive strategies, namely outsourcing and brand. Further researches can test this model. A final stage of testing must also consider the merits of the scores, and the construction of the CSR profile of a company. Additionally, a worksheet was programmed to test how a ranking can evolve and serve as a management tool. The researchers will continue to follow other international studies to improve the methodological path and to compare some results and models.

8. Conclusions

The adoption of CSR systems and models is, presently, an added competitiveness status. Environmental, social and economic crisis have helped new paradigms emerge from borderline competitive advantages to consumption patterns. The Portuguese textile and clothing companies, mainly the ones working under a private label model for international and global brands, have to prepare strategies to implement methods and processes capable of improve the negative image of the sector. European reindustrialization requires different approaches to the traditional, labour intensive and low-tech industries, where quality, design and CSR can be challenging factors.

It’s increasingly evident that European companies’ competitiveness must rise to the challenge of the new economic and commercial structural conditions, taken advantage of some global issues and problems. So, CSR models and systems in the context of European textile and apparel industry has become a determining competitiveness factor.

The competitive advantages stated are connected not only by ethical and responsible behaviour by companies but also by their consistency, transparency and the depth with which systems such as this are implemented and communicated.

The “CSR Model identity seal” proposed in this study can be a starting point to prepare a common framework to European companies working in traditional sectors, especially if they adopt a private label model and require low skills and intensive labour.

Acknowledgments

Label or rubric graphic design by João Dorminsky.

“This work is financed by FEDER funds through the Competitivity Factors Operational Programme - COMPETE and by national funds through FCT – Foundation for Science and Technology within the scope of the project POCI-01-0145-FEDER-007136”.



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