Navigating corporate responsibility in global supply chains using codes of conduct

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3 Literature review on the effectiveness of supplier codes of conduct[1]

ABSTRACT

Even though workplace conditions worldwide are subject to local and international laws, labor conditions in global supply chains have continuously raised human rights concerns. In response to societal pressure, multinationals have taken on a certain degree of responsibility regarding workplace conditions in supplier factories, notably by adopting codes of conduct. Investigating the impact of this self-regulatory policy, scholars have examined whether and how codes shape labor conditions at the production level, but the results of their empirical studies diverge and sometimes contradict. To bring clarity to the field and gain an overarching understanding of the impact of codes, this literature review analyzes the question of their effectiveness as examined in 33 scientific papers gathered via a systematic selection of empirical studies. What do we know about SCC effectiveness to improve labor standards in global supply chains? The review shows that supplier codes are not deemed unanimously and evenly effective by scholars and often fail to improve labor conditions. However, a range of factors are identified that facilitate the implementation of codes and ensure its effectiveness. This article develops a taxonomy of these factors and intends to contribute to understanding codes' decoupling and recoupling processes by investigating the gap between codes provisions and their intended outcome: the improvement of labor practices in global supply chains.

Key words: Code of conduct; Labor conditions; Supply chain; Systematic review

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3.1 Introduction

The repetitive social and human rights scandals[2] on the conditions of workers in global supply chains expose the weaknesses of the current global production and the gaps in the international regulatory system on labor conditions. Globalization is said to leave a 'governance gap' or regulatory vacuum, where nation-state powers are diminished while impactful private actors such as multinationals (MNEs) bear no legal accountability for practices along their supply chains.[3] Pressured to act responsibly by consumers and civil society, many corporations have taken on a certain degree of responsibility for workplace conditions in supplier factories, notably by adopting supplier codes of conduct (hereunder "supplier codes of conduct" or "SCCs"). In these documents, MNEs pledge efforts to ensure that supply chain workers are no longer subjected to abusive and unethical labor conditions. As defined by Kaptein and Schwartz (2007), codes of conduct are a form of self-regulation containing a set of prescriptions developed by and for a company to guide present and future behavior issues. SCs most often include a set of requirements containing minimum labor standards and environmental obligations to be complied with at the supplier level. This private regulatory tool has attracted implementation criticisms as many instances of non-compliance arise, leading to a *decoupling* process between the text of SC and reality of supply chain working conditions. To redress this malpractice, it is salient to investigate *recoupling* to reduce the gap between SC principles and field reality. Although studies focusing on supplier compliance are scarce (Jedynak 2018; Ruwanpura & Wrigley 2011), an increasing number of scholars examine the extent to which SCs' adoption impacts labor conditions or suffers from decoupling (Babri et al. 2019). This systematic literature review aims to collect and compare the empirical results on the impact of SCs, to identify which conditions were demonstrated to reduce the policy-outcome gap, and which circumstances can lead to recoupling according to these studies. To the best of my knowledge, no review has documented how researchers measure the effect of SCs on labor conditions, although authors have already highlighted that the empirical results on SC impact are inconsistent and require further analysis (Kaptein and Schwartz 2007). The papers selected for this review all answer, in one way or another, the question: to what extent are SCs creating a change of behavior towards the improvement of labor conditions in global supply chains? Reviewing all studies evaluating SCs' impact will contribute to the field in three ways: explain inconsistent results in the literature, propose a

2 While many can be mentioned, these contemporary exploitative practices undergoing in MNEs' supply chain are noteworthy: forced labor of Uyghur Muslims in detention camps in China ; Abuses of workers manufacturing rubber gloves in Malaysia ; last minute order cancellation from multinational buyers due to COVID-19 in the textile industry, leaving garment workers unpaid for work done.

3 An extensive analysis on the global governance gap is provided by Eberlein (2019)

theoretical framework to help academics in their future research to measure SCs' impact, and give indication on what factors were identified that lead to decoupling and promote recoupling of SCs with practice. As a promising yet contested regulatory instrument to global labor rights issues, studying SCs' impact is salient in preventing supply chain labor risks and establishing their effective governance. This paper is divided in four main sections. The first one lays down the methodology of the systematic literature review and the papers selected. The second investigates the research designs adopted to measure compliance and effectiveness with SCs, a fundamental challenge for empirical scholars (Rorie & van Rooij 2022). The third section gives an overview of the results on SCs' impact, and the last section develops a taxonomy of factors influencing SCs' compliance and effectiveness.

3.1.1 Theoretical framework

Compliance issues call for SCs' analysis under institutional theory and goal displacement theory. The concept of decoupling has been discussed in institutional theories initially by Meyer and Rowan (1977), developed by Bromley and Powell (2012), and later adapted to the specific policy of SC (Bird et al. 2019; 5& Egels Zanden, 2016). Decoupling occurs when there is gap between the formal policy and the actual practices, where a policy is formally introduced but not actually implemented in daily practice (de Bree & Stoopendaal 2020). SCs are particularly prone to decoupling, as they provide an appearance of conformity to external expectations on paper, while making it easy for the parent company to insulate from those expectations, who may easily avoid their enforcement (Weaver et al. 1999). To ensure SCCs' implementation, MNEs monitor supplier labor conditions to identify occurrences of non-compliance by using audits. In 1994, Power talks about the "explosion of audits", where he argues that audits are used to legitimize corporate actions and institutionalize the implementation process. In fact, even when implementation mechanisms are adopted, they can be ineffective in achieving the outcome intended, auditing becoming a "symbolic implementation" as per the formulation of Bromley and Powell (2012), hence unable to improve labor practices.[4] This is referred to as the two stages of the decoupling process: the policy-practice decoupling and the means-end decoupling.

Goal displacement theory explains how idealistic goals of an organization are displaced by the inferior goals required to maintain the organization and keep its leadership in power (Michels 1949). It is another useful theory to interpret SCC decoupling: by adopting performance criteria in the audit, actors lose sight of the final policy outcome as they strive to maximize their performance rating (Boht & Meier 2000). It suggests that suppliers attempt to improve their compliance ratings in audits at the expense of

4 Symbolic implementation and symbolic adoption: Bromley and Powell develop that the decoupling process can occur at different stages.

working towards the improvement of labor conditions. These theories shed light on areas of conflict limiting SCC impact, explaining why some studies identify little to no impact on labor conditions (e.g. Yu 2008). However, Egels-Zanden's study (2007) shows us that, even when suppliers initially respond with symbolic actions and attempt to deceive auditors, SCCs can lead to actual improvement of workers' rights over time and under certain circumstances (Egels Zanden 2007), thus giving us indications on the road to recoupling.

This review intends to feed these two theories by gathering results on SCCs' impact on labor conditions and creating a taxonomy of factors influencing the decoupling and recoupling processes.

3.2 Method of the systematic literature review

3.2.1 The selection process

A systematic literature review uses scientific methods of identification, evaluation, and synthesis of sources on a chosen research problem (Petticrew & Roberts 2006), to analyze existing theoretical concepts or empirical studies in a given field, in this case to assess the impact of SCC in improving labor conditions in global supply chains. This review followed Noort et al. (2019) steps for the systematic review, using the PRISMA three-phase flow diagram as detailed in figure 1.

Identification English peer-reviewed articles were identified using EBSCOhost database and selected based on 12 key words, clustered in three categories (Table 1). Studies assessing SCCs' impact on supply chain labor condition must fulfill three combining conditions, namely: the targeted subject must be suppliers or generally global supply chains (category 1), using the tool of codes of conduct (category two) and measuring the codes' impact via the assessment of its compliance or effectiveness (category 3).[5] For each of these categories, an extensive list of synonyms were developed to avoid excluding studies. To ensure that no papers were excluded, a sample of 9 papers was pre-selected from a primary literature research. The inclusive vocabulary highlighted in Table 1 successfully englobed all 9 papers pre-selected.

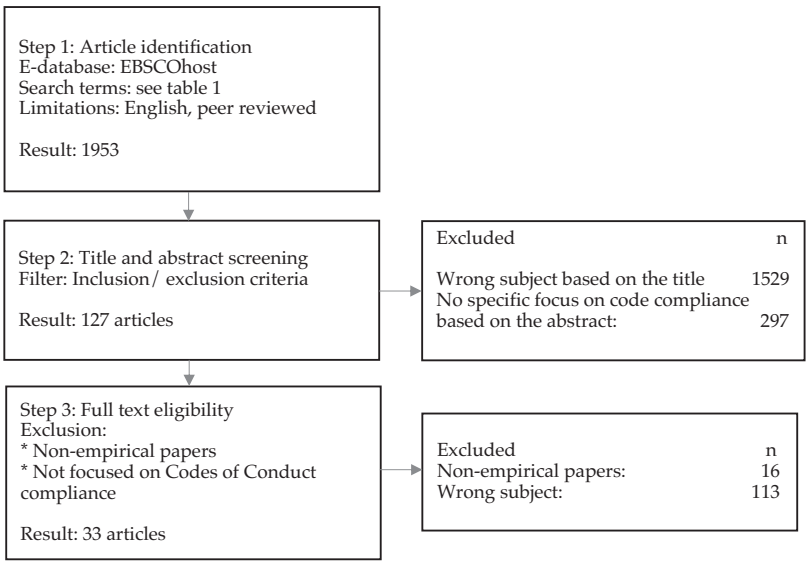
Screening and eligibility After the initial identification by EBSCOhost resulting in 1953 papers, the title and abstract of the articles were screened based on the inclusion criteria. Finally, full text articles were retrieved and checked for their eligibility.

5 The specifications concerning labor conditions were not included at this first selection stage, to avoid the exclusion of papers measuring compliance with environmental standards, as they are often dealt with jointly.

Table 1: Key words for paper selection

Category 1: supplier level	Suppl* Value chain*
Category 2: codes of conduct	Private regulat* Self-regulat* code* of conduct Code* of ethics lab*r code
Category 3: Measurement of SCC impact	Complian* Effectiv* Enforce* Implement* Coupl*

Figure 1: Flow diagram of the systematic literature review on supplier codes of conduct impact



3.2.2 Overview of the selected papers

A total of 33 papers met the inclusion criteria, as presented in Table 2. Columns 5, 6 and 7 give a first snapshot of the threefold focus of this study: empirical method used to study SCCs' compliance, labor rights impacted, factors affecting code compliance. The last column depicts the results on SCC's impact reached by the study. The papers were published in journals relating the legal and business management field and were all published after 2000. This was not a pre-required criterion but attests of the novelty of the discussion in those terms. Some authors used several times the same dataset (Jiang) or conducted more than one study on the topic (Egels Zanden, Locke, Yu). All studies investigated supply chain labor conditions in developing countries, most of them located in Southeast Asia or Latin America.

	Author(s)	Year	Sample characteristics	Methods	Labor rights	Factors of compliance and effectiveness	Results regarding effectiveness of SCC
1	Barrientos S; Smith S. 2007	2007	11 Ethical Trade Initiative member companies, 23 supplier site, 418 workers	Survey, comparative case study, interviews	Overall	2 – Compliance approach focused on technical outcome standards – Lack of awareness of workers on the existence of a code – Close relationship with suppliers – Serious commitment to ethical trade	Uneven impact
2	Bartley, T; Egels-Zanden, N	2015	192 Indonesian factories producing apparel, textiles, electronics or footwear in Indonesia.	Interviews, survey	Trade union rights Employment discrimination OHS Employment practices	2 – Labor regulation – Labor inspection	Uneven impact Unclear if differences can be attributed to SCC
3	Bird, YH; Short, JL; Toffel, MW	2019	8,323 audits of 3,276 suppliers in 55 countries on behalf of 102 buyers between 2012 and 2015.	Audit analysis	Maximum working hours Minimum wages OHS	2 – Presence of trade unions – Factory payment policies (piece rate basis) and high-power productivity incentives	Comparatively more effective under certain conditions
4	Coslovsky, SV; Locke, R	2013	116 audits and 80 interviews conducted between 2002 and 2008 at Coca Cola suppliers in Brazil, in the sugarcane industry.	Audit analysis, interviews, field observation	All rights included	0	Identified improvement
5	Distelhorst, G; Locke, RM; Pal, T; Samel, H	2015	484 audits conducted in 261 Hewlett-Packard production facilities in 14 countries between 2004 and 2009.	Audit analysis, interviews, field observation	All rights included	2 – Salience of local regulatory institutions – Civil society freedoms and free transparent press	Uneven impact
6	Egels-Zanden, N	2007	9 Chinese Toy suppliers from 3 Swedish toy retailers. Over 100 interviews with workers conducted in 2004.	Interviews, field observation	All rights included	0	No proven substantial improvement or only marginally
7	Egels-Zanden, N	2014	9 Chinese Toy suppliers from 3 Swedish toy retailers. Over 100 interviews with workers conducted in 2004 and then 2009 (follow up study).	Interviews, field observation	All rights included	3 – Number of audits and buyer company surveillance – Trusting relationship between supplier and buyer – External factors	Identified improvement

	Author(s)	Year	Sample characteristics	Methods	Labor rights	Factors of compliance and effectiveness	Results regarding effectiveness of SCC
8	Egels-Zanden, N; Lindholm, H	2015	288 audits conducted in 43 garment factories by Fair Wear Foundation between 2004 and 2012. The majority of suppliers are located in China, Tunisia, Turkey, Macedonia.	Audit analysis	All rights included	0	No proven substantial improvement or only marginally
9	Frenkel, SJ	2001	4 factories in the athletic shoes industry in South China, from 2 different buyers. 80 interviews were conducted between 1998 and 1999.	Interviews, field observation	Management Employment relations Worker organization	1 – Local regulatory and institutional context	Uneven impact
10	Frenkel, SJ; Scott, D	2002	2 supplier factories of Adidas (footwear sector) in China owned by a Taiwanese contractor in 2001.	Interviews, field observation	labor practices workplace performance OSH	2 – Supplier-buyer collaborative relationship – Supplier commitment to high labor standards	Identified improvement, especially under certain conditions
11	Hoang, D	2019	40 interviews with managers, union representative and workers at a garment factory in Vietnam in 2016.	Interviews, field observation	All rights included	1 – Supply workers dishonesty on labor conditions	Uneven impact
12	Hoang, D; Jones, B	2012	20 interviews of female senior managers, union representative, production workers in three supplier factories in the apparel industry in Vietnam between 2008 and 2010.	Interviews, field observation	All rights included	3 – Direct supplier-buyer relationship – Short term contracts with vendors at second or third tier of the supply chain – Strong independent trade unions	Uneven impact
13	Jayasinghe, M; Hunter, LW	2020	32 interviews with plan owners and managers, trade association and audit executive in the Sri Lankan apparel industry. Survey on 122 Sri Lanka apparel plans.	Interviews, field observation, survey	Wages OSH	0	Uneven impact
14	Jiang, B	2009a	197 Chinese apparel and textile suppliers, 2006.	Survey	NA	3 – Mediating efforts from the buyer – Peer to peer governance – Price pressure	No proven substantial improvement or only marginally
15	Jiang, B	2009b	197 Chinese apparel and textile suppliers, 2006.	Survey	NA	3 – Cost pressure – Production complexity – Contract duration	Identified likelihood of compliance under certain boundary conditions

	Author(s)	Year	Sample characteristics	Methods	Labor rights	Factors of compliance and effectiveness	Results regarding effectiveness of SCC
16	Lindholm, H; Egels-Zanden, N; Ruden, C	2016	288 Audits from 229 garment factories conducted by Fair Wear Foundation between 2004 and 2012.	Audit analysis	OSH	1 Number of audits conducted	No proven substantial improvement or only marginally
17	Locke, R; Amengual, M; Mangla, A	2009	300 interviews conducted between 2006 and 2007 in 210 supplier factories of an apparel company (confidential), located in China, India, Bangladesh, Dominican Republic, Honduras.	Audit analysis, interviews, field observation	OSH Trade union Working time Wages	3 – Joint problem solving with supplier – information exchange – Diffusion of best practices	Uneven impact, but overall no substantial improvement
18	Locke, RM; Samel, H	2018	500 audit reports and 27 interviews from 276 suppliers of Hewlett-Packard between 2004 and 2009.	Audit analysis, interviews, field observation	OSH, nondiscrimination, wages, working hours, employment status	2 – Type of products manufactured – relational governance systems VS transactional	Uneven impact
19	Locke, RM; Qin, F; Brause, A	2007	800 of Nike's suppliers in 51 countries between 1998 and 2005.	Audit analysis	All rights included	2 – Allowing suppliers to better schedule their work – Monitoring efforts combined with root cause tackling	No proven substantial improvement or only marginally
20	Locke, R; Romis, M	2010	2 Mexican suppliers of Nike, 90 interviews conducted in 2005 in the US and in Mexico.	Audit analysis, interviews, field observation	Wages Working time Trade union Employee representation Satisfaction Workers' voice	4 – Supplier factory size – Foreign ownership of supplier factory compared with domestic ownership – Complexity of products manufactured – Supplier/Buyer relationship	No proven substantial improvement or only marginally
21	Loo, SK; Nasruddin, E	2015	16 purchasing managers interviewed from two facilities in Northern Malaysia in the electronics industry in 2014.	Interviews	All rights included	1 – Country where buying company is located	Comparatively more likely to improve under certain circumstances
22	Lund-Thomsen, P; Nadvi, K; Chan, A; Khara, N; Xue, H	2012	127 interviews with football-stitchers in Pakistan, India and China 9 (home-based, centre-based and factory based workers), carried out in 2009-2010.	Interviews, field observation	All rights included	2 – Factory's technology – Supply chain governance	No proven substantial improvement or only marginally

	Author(s)	Year	Sample characteristics	Methods	Labor rights	Factors of compliance and effectiveness	Results regarding effectiveness of SCC
23	Mejias, AM; Bellas, R; Pardo, JE; Paz, E	2019	4 sustainability reports (Inditex, H&M, Fr and Gap) of 2016 on their supply chain performance / compliance with code.	Audit analysis	All rights included	4 – Control and monitoring beyond first tier suppliers – Suppliers' independence to develop own strategies and solutions – Commitment and recognition to maintain buyer-supplier relationship	High levels of compliance with SCC identified
24	Oka, C	2016	579 Cambodian exporting garment from 2006 to 2013. 61 field-based interviews with factory managers, union federation leaders, buyer representatives, government officials, labor activists, industry consultants and foreign donors.	Audit analysis, interviews, field observation	All rights included	1 – Union presence (but the number of unions is irrelevant)	Uneven impact, but identified Improvement under certain conditions
25	Oka, C	2010	344 Cambodian exporting garment factories, from 2006 to 2008.	Audit analysis, interviews, field observation	All rights included	5 – Reputation-Conscious buyers – Size of supplier factory – Age of the factory – Union presence – Domestic ownership	Identified improvement under certain conditions
26	Ruwanpura, KN	2013	2 Sri Lankan factories in the apparel sector, 60 interviews with factory workers in 2009-2010.	Interviews, field observation	OSH (gender component)	4 – Location of supplier – Stringency of labor laws on OSH	Uneven impact
27	SCChuster, M; Maertens, M	2016	592 interviews in 78 villages in the horticultural sector in Peru between 2013 and 2014. Collection of characteristics from 171 companies export companies.	Survey	All rights included	5 – Supplier legal status – Presence of unions – Production diversity – Production size – Piece rate payment	Uneven impact, but overall, no substantial improvement

	Author(s)	Year	Sample characteristics	Methods	Labor rights	Factors of compliance and effectiveness	Results regarding effectiveness of SCC
28	Sethi, SP; Veral, EA; Shapiro, HJ; Emelianova, O	2011	Observation on the implementation of the Mattel code of conduct between 1997 and 2006.	Audit analysis	Focus on specific working conditions and components.	1 – Costs spent on compliance from the buying company	Universal progress on compliance levels
29	Short, JL; Toffel, MW; Hugill, AR	2020	8,677 audits conducted at 4,940 suppliers spanning 13 industries in 66 countries. Audits conducted between 2004 to 2009.	Audit analysis	All rights included	3 – Institutional pressure – Reputation sensitive buyers – trained auditors	Identified improvement under certain conditions
30	Sinkovics, N; Hoque, SF; Sinkovics, RR	2016	3 Bangladeshi garment manufacturing firms among which 27 interviews were conducted in 2014.	Interviews, field observation	All rights included	0	Uneven impact. SCC deteriorate certain labor conditions.
31	Toffel, MW; Short, JL; Ouellet, M	2015	44,383 audits of 21,836 supplier establishments in 47 supplier countries on behalf of 511 buyers in 12 countries from 2004 to 2009.	Audit analysis	All rights included	3 – Supplier location depending on country characteristics – Adherence to ILO standards – Market pressures on MNEs	Identified improvement of compliance rate under certain conditions
32	Yu, XM	2008	34 interviews conducted at Fortune Sports, Reebok's second largest footwear supplier factory in China in 2002.	Interviews, field observation, documentary reviews	Wages Working hours Trade union	3 – Purchasing practices – Labor regime at local level – Buyer's investment in costs of compliance	No proven substantial improvement of labor standards
33	Yu, XM	2015	34 interviews conducted at Fortune Sports, Reebok's second largest footwear supplier factory in China in 2002.	Interviews, field observation	OSH Employee representation Wages	1 – Commercial (reputation-driven) CSR agenda	No proven substantial improvement of labor standards

Table 2: Overview of the paper selected[1]

1 The sample characteristics column includes information on the country of location of the study, the industry, the years data were collected, in some cases the specific company studied, and indications on the sample size.

3.3 Research designs to measure compliance and effectiveness

Assessing compliance of a norm is a process that comes with many uncertainties (Rorie & van Rooij 2022), yet compliance with a policy does not ensure its impact. To accurately reflect SCCs' effectiveness, it is relevant to distinguish it from their compliance (1), before assessing the methods adopted by empirical scholars to measure SCCs' effectiveness (2). These components arguably impact study result and partly explain discrepancies among studies.

3.3.1 The difference between compliance and effectiveness

Compliance refers to a state of conformity between an actor's behavior and a specified rule (Raustiala 2000). While measuring or evaluating compliance is conceptually straightforward, ascertaining why compliance or noncompliance occurs is more challenging. In fact, the mere fact of compliance with a given commitment tells us little about the utility and impact of that commitment, while effectiveness of a policy indicates the degree to which a rule induces changes in behavior and improves the state of the underlying problem. According to this definition, SCCs' effectiveness means that there is an observable, desired change of behavior in supplier factories towards the improvement of labor conditions. In the sample of papers, most studies attempt to measure effectiveness apart from four studies (papers 6, 11, 12, 26). Studies measuring effectiveness create complex designs to identify whether decent labor conditions can be attributed to the presence of a SCC. This is a challenging task, as there are typically multiple factors underlying labor practices, such as the regulatory framework in which suppliers operate. To make sure that an identified change of labor practice can be attributable to SCCs' presence and not stem from other causes (Barrientos & Smith, 2007), the studies attempt to "tune out" other factors likely to affect labor conditions, also called confounding variables or what I call "compliance factors". Compliance factors are opposed to "effectiveness factors",[6] as the latter relate to conditions affecting the good implementation of codes and impactful factors in the way suppliers translate SCCs into practice. In light of these considerations, it should be observed that SCC compliance does not amount to SCC effectiveness, and alternatively non-compliance does not signify that SCC have no impact. By extension, a decoupled SCC does not imply its ineffectiveness and a tightly coupled SCC does not indicate its effectiveness, as compliance with labor standards may not stem from the code's adoption.

6 This distinction is used later in section 4 in the development of a taxonomy of factors.

3.3.2 Designs used to measure effectiveness

Three key learnings are taken from the assessment of methods used to measure SCCs' effectiveness: 1. studies elaborate two types of designs to measure SCCs' impact, 2. which often involve a flawed measurement of labor conditions at supplier level, 3. including perception biases.

Two types of designs are frequently used to assess codes' impact: the comparative design and the longitudinal design. Comparative designs have proven helpful to identify factors affecting codes' impact. Bartley and Egels-Zanden (2015) evaluate the working conditions of factories located in the same country (Indonesia) by comparing supplier factories governed by a code and those that are not. Using a control group of factories not exposed to codes is a convincing way to draw conclusions on codes' impact (Bartley & Egels-Zanden 2015). Jiang (2009a & 2009b) compares labor conditions of suppliers considered "compliant" with suppliers considered "non-compliant" to highlight conditions under which suppliers commit to implement SCC. Similarly, some studies compare the working conditions of different factories collaborating with the same buyer to understand the underlying reasons behind compliance of certain suppliers and non-compliance of others (Locke et al. 2009; Locke & Romis 2010). The longitudinal design involves measuring the evolution of labor conditions over time within the same supplier factories. Sethi et al. (2011) analyze the 9 years process of code implementation at the supplier factories of one single company. With the same intentions, Yu (2008) evaluated labor practices *before* and *after* the adoption of a code, to see whether a significant behavioral shift could be identified.

Both the comparative and the longitudinal design entail the evaluation of labor conditions at supplier level. 16 studies use the quantitative analysis of audit reports to assess SCC compliance, as they provide for quantifiable data measuring the compliance with each labor standard. Audit reports are useful tools for companies to verify suppliers' claim of compliance but are often criticized for their flawed rating (Jiang 2009a), as suppliers are easily able to cover up violations of codes' provisions while passing audits. While compliance with codes may appear to positively evolve through time due to progressing audit reports, suppliers may in fact learn to match their buyer's expectations, without fundamentally altering their behavior (Egels-Zanden 2007). Under some conditions however, audits have proven to be more transparent and have increased reliability. Compliance data collected by public bodies such as the Better Factory Cambodia (ILO monitoring program), or those controlled by NGOs such as Fair Wear Foundation (Egels-Zanden & Lindholm 2015) are superior in quality to those compiled by private auditors, as they are externally financed and thus less likely to be biased by MNEs' interests (Oka 2016). Short et al. (2020) also demonstrate that trained auditors generally conduct more neutral and informed audits. Aside from the compliance assessment, another method to assess labor conditions and measure behavioral changes is to use perception methods

relying on insights and perceptions on labor conditions of different actors, by conducting surveys or interviews (used in 25 studies). Different sample of respondents were interrogated, which can be classified in different groups (see Table 3): workers or worker's representatives, managers at supplier level, and the MNE itself (e.g. the compliance officer). In some studies, specific groups of workers were targeted, such as female workers, who face specific challenges of labor conditions in their working environment.

When using perception methods, many authors refer to the difficulties to access transparent and reliable data, and present solutions or methodologies partially addressing this issue (e.g. Bartley & Egels-Zanden 2015; Toffel et al. 2015). Perception data are potentially biased, as respondent groups are likely to have different insights on labor conditions and be influenced by individual interests or organizational agendas. To lessen the bias effect of the perception method, twelve studies have collected and compared answers from different group of actors (i.e. data triangulation), and twenty-one studies adopted a mixed-method approach to triangulate ways of data collection. These mixed approaches give the most complete overview. Studies relying on workers or workers' representatives' answers to assess SCC effectiveness are also reliable, especially when the researcher has gained the trust of workers over a long course of time or is culturally and linguistically close and accessible by workers, as promoted in the designs of Barrientos and Smith (2007) or Hoang (2019). Similarly, Bartley and Egels-Zanden (2015) underline that relying on union representatives' opinions better reflects working conditions than auditors. They however acknowledge that even seemingly objective measurements of compliance are the result of imperfect judgements. Hoang (2019) considers that workers themselves can provide biased answers to support their managers in the hopes of compensation, or in fear of retaliation (Ruwanpura 2013, Hoang 2019). Egels-Zanden (2014) acknowledges this difficulty and try to counter this potential bias by performing unannounced interviews with workers outside of the factories and after working hours. This allows anonymized workers to speak freely about their views on working conditions (Egels-Zanden 2014; Hoang 2019).

Table 3: Overview of respondents in studies using perception data

Type of respondents	Papers
Multi-stakeholder (n=15)	1, 4, 5, 9, 10, 13, 17, 18, 20, 24, 25, 28, 30, 32, 33
Buying company or purchasing managers (n=2)	21, 23
Managers at supplier level (n=2)	14, 15
(predominantly) Workers and/or worker's representatives (n=5)	2, 6, 7, 22, 27
(predominantly) Female workers (n=3)	11, 12, 26

3.4 Uneven impact of codes on labor conditions

After observing studies' methodological differences, we can provide an overview of the result on SCCs impact. SCCs' effectiveness to improve labor conditions is highly contested: most studies consider that SCCs have limited to no impact on labor conditions as ten studies have not identified any improvement or only marginally so[7]. It is commonly agreed upon that the mere existence of a code does not activate ethical behavior of companies, and even studies observing a significant positive impact of SCCs are nuancing their conclusion by acknowledging the limitations and conditional effect (e.g. Distelhorst et al. 2015). Sinkovics et al. (2016) and Yu (2015) even observed a negative impact of SCCs on labor conditions, showing that compliance initiatives have, in some cases, torn down existing social values and led to the impairment of certain social, economic and cultural rights. Scholars are particularly vocal about SCCs' inability to promote collective bargaining and freedom of association and facilitate worker agency (e.g. papers 2, 9, 17 and 22). Many reasons are brought forward to explain this unfortunate result. First of all, SCCs are more likely to focus on technocratic issues that are easily measurable but do not allow to challenge embedded labor relations or social norms underlying the production process (Bartley & Egels-Zanden 2015; Barrientos & Smith 2007). Secondly, freedom of association may be restricted by national law, such as in China where collective bargaining is prohibited or in Vietnam where only one trade union is recognized and active (Hoang 2019). Suppliers cannot over-ride the national legal framework in which they operate. Finally, it appears that companies marginalize issues related to workers' freedom of association and bargaining power, as workers' voice are considered as less important in the monitoring process (Egels-Zanden 2007).

Five papers however evaluate that SCCs are effective in improving labor conditions, although nuanced, and eight studies have convincingly proven a positive impact specifically on occupational health and safety (OHS). That being said, classifying SCCs impact as "effective" or "ineffective" in Table 4 proved to be challenging, as authors mainly identify a conditional effectiveness of codes, only found under specific circumstances. One repetitive conclusion in several papers is that SCCs do not profoundly challenge the existing labor governance and thus root-causes issues for labor violations, as substantial issues remain untouched in supply chains. However, codes may have a positive effect on technocratic issues of OHS, mainly when the buyer and the supplier have a direct relationship (Hoang 2019). In the same line of thoughts, some authors distinguish *process rights* from *outcome standards* to explain the uneven impact of codes (papers 1, 2, 7, 8, 16, 25). Process rights are those providing a route to negotiation and access to other entitlements,

7 In this context, a *marginal impact* refers to studies identifying slight changes of labor conditions with the presence of a SC. Those were not considered sufficiently significant for authors to be able to attribute the change

such as freedom of association and prevention of discrimination. Those are seldom impacted by SCC presence. Alternatively, outcome standards refer to specific conditions of employment, such as health and safety, living wage and working hours, which are found to improve with SCC presence.

Table 4: Overview of SCC impact findings per labor right

	All labor rights	OHS	Wages	Freedom of Association	Working Hours	Employment relationship
No impact	6, 11, 14, 15, 17, 19, 20, 32, 33	13, 16[8], 26[9]	13, 2	2, 8, 9,17, 22	18, 30[10]	/
Positive impact	5, 7, 8, 23, 28	2, 4, 11, 12, 17, 18, 30	1, 27[11], 18	/	/	8, 13
Negative impact	/		30, 33	/	30, 33	30, 33

3.5 Factors affecting compliance and effectiveness

From the literature, codes appear to be more effective under certain circumstances, their impact being dependent on the presence of a set of factors. Drawing inspiration from the paper by Asif (2020) in which a taxonomy of factors of compliance with socio-environmental standards is adopted, I propose a classification of compliance and effectiveness factors with SCCs according to the institutional and managerial levels at which they play a role. Four categories of factors are identified from the analysis of the sample: external contextual factors, supplier level, buyer level and buyer-supplier level, laid down in Table 5. Antecedents of compliance affect labor condition regardless of the presence of a code (Asif, 2020), while effectiveness factors focus on SCCs' impact and ways to improve their implementation. This dichotomy is not strict and contains overlaps, but the distinction of compliance factors from effectiveness factors is helpful to understand which factors lead to compliance with labor standards regardless of the presence of codes; and which factors facilitate or hamper the impact of codes.

8 Study focusing on chemical safety in the garment industry
9 Study focusing on the working conditions of pregnant workers
10 This study argues that codes of conduct have *decreased* labor conditions on the sample identified, the code creating unintended consequences leaving workers worse-off.
11 This study observed that codes of conduct improve the likelihood of receiving minimum wages, but not increase wages in general.

Table 5: Overview of factors impacting SCC compliance and SCC effectiveness

	Papers	SCC compliance	SCC effectiveness
External contextual factors	2,5,7,9,26,29, 31,32	Institutional legislative framework (supplier level) Presence of civil society and press freedom (supplier level) Economic context (supplier level)	None
Buyer level factors	3,6,7,14,15,16, 19,21,22,23,25, 27,28,29,31,32, 33	Companies' purchasing practices and price pressure Companies' characteristics (sector, size, location)	Monitoring and supervising suppliers' compliance and costs spent on compliance programs Internal drive for social commitment Reputation conscious buyers
Buyer-supplier level factors	1,7,10,12,14, 17,18,19,20, 22,23	Supply chain governance and transparency, contract duration, complexity of supply chain	Cooperation between suppliers and buyers Long term; trusting and direct supplier-buyer relationships Compliance approach compared to peer-to-peer governance Supplier independence to develop own strategies
Supplier level factors	1,3,10,11,12, 18,20,22,24, 25,27,26,33	Employment practices and management Supplier characteristics (size, ownership) Production characteristics	Presence and independence of trade unions Supplier commitment to high labor standards

In the below sections, not every factor is lengthily discussed, but only the ones requiring developments and explanation. Factors identified for each paper are laid down in column 7 of Table 2.

3.5.1 External contextual factors

Two main external compliance factors are identified: the institutional legislative framework and the presence of civil society and press freedom.

Firstly, eight studies observe that the supplier-level institutional framework is a central factor of SCCs compliance. The legal and institutional framework, especially regarding suppliers' domestic labor laws, plays an important role in compliance with labor codes (papers 2,5,9,26,29,31,32). As well articulated by Yu (2015), codes' impact on labor conditions can be undermined by the existing regulatory environment, as governments in developing countries may not support the enforcement of labor standards or in fact adopt labor regulation contrary to SCC provisions. In these circumstances and despite best implementation efforts, SCCs are unlikely to be complied with in countries with low protection of labor standards, while SCC coupling is more present in countries with strong regulatory institutions enforcing labor rights effectively (Distelhorst et al. 2015; Locke et al. 2007; Toffel et al. 2012), including labor inspectorates (Bartley & Egels-Zanden 2015). Toffel et al. (2012) go further in this analysis, by demonstrating how developing countries can create domestic legal environments that

promote adherence to the global standards embodied in SCCs. They found that countries with substantial connections to the international community and most compliant with international labor standards host supplier factories more likely to comply with SCCs. They demonstrate that code compliance rates are higher for suppliers in countries that have ratified many ILO conventions, that have highly protective labor regulation, and high levels of press freedom (Toffel et al. 2012). In this regard, international governance seems to interact with private regulation of supply chain, as international treaties amplify codes' effect.

Secondly, apart from the legislative framework, scholars also observe that press freedom and the presence of civil society are predictors of code compliance (Toffel et al. 2012; Distelhorst et al. 2015). In a study on HP suppliers, Distelhorst et al. (2015) showed that factories in countries with weak regulatory institutions, but decent civil society freedoms outperformed factories surrounded by weaker presence of civil society. When both regulatory enforcement and local civil society were weak, SCCs lack outside resources to incentivize and support improvements of labor conditions (Distelhorst et al. 2015). In fact, civil society actors can provide monitoring functions and expose wrongdoing in lieu of weak governmental inspection regimes in suppliers' countries. They can also significantly contribute to putting pressure on businesses to adopt codes of conduct and monitoring their compliance. However, it is only the presence of local NGOs close to workers that increases compliance with codes of conduct, by playing symbiotic roles of transnational advocacy networks (Short et al. 2020). These local NGOs bear a catalytic role in voicing workers' issues and create open information channels by deconstructing the opacity of labor rights' violations at the production level and information sharing on this topic is more likely to echo internationally and attract consumer and multinationals' attention.

3.5.2 Buyer level factors

At the buyer level, implementation and monitoring programs put in place by companies constitute factors of SCCs effectiveness (1), while compliance factors relate to the characteristics of the company and their purchasing practices (2). Ultimately, a codes' impact is highly dependent on a company's intrinsic social commitment (3).

Firstly, the type of SCCs' implementation programs established by companies, including monitoring and surveillance mechanisms of supplier labor conditions, affects SCCs' effectiveness as those programs are often flawed, unable to promote better labor standards. Locke et al. (2009) observe that most companies adopt the "traditional compliance model", a model of supplier governance based on unilateral surveillance of labor standards using factory audits. It is generally characterized by asymmetric power relations between global buyers and their suppliers, where the buyer scrutinizes suppliers' action with the ultimate threat of cutting ties and shift to another supplier (Jiang 2009b). To avoid retaliation and sanctions, suppli-

ers develop opportunistic behavior and learn tricks to hide SCC violations without fundamentally altering their behavior (Egels-Zanden 2007; Jiang 2009a). It is demonstrated that audits can drive dishonesty, lack of openness, and even fraud, when suppliers feel forced to provide the "right" answer or face serious business implications (e.g., the threat of substitution) (Jiang 2009). With their study on Nike suppliers worldwide, Locke et al. (2009) show that the traditional compliance model is ineffective in practice: even though Nike conducted consistent monitoring of suppliers throughout the years and performed thorough audits, 80% of supplier factories failed to improve compliance over time, and some even experienced a decline in their compliance rating. In fact, unilateral monitoring regimes are argued to be designed *not* to protect labor rights or improve working conditions, but instead to limit the legal liability of global brands and satisfy institutional legitimacy demands (Bird et al. 2019). Far from protecting workers, these monitoring schemes eviscerate state regulation and undermine union power without replacing them with a viable alternative regime (Locke et al. 2007). However, good examples of effective monitoring system were also highlighted in some of the empirical studies, especially concerning audit methodology. For instance, Short et al. (2020) and Oka (2016) show that auditors, if properly trained to the local and sectorial labor issues, can have a pedagogical role when instructing factory managers how to remedy the violations and identify root causes to develop compliance solutions. Moreover, audits are most effective in improving labor conditions when controlled or supervised by certified external parties, such as NGOs or public bodies. Good examples include Fair Wear Foundation in the studies of Egels-Zanden and Lindholm (2015) and Lindholm et al. (2016), as well as Better Factory Cambodia (ILO monitoring program) in Oka's study (2016). Monitoring efforts appear beneficial when combined with supplier empowerment (Locke et al. 2007), or when companies enter a multi-stakeholder initiative involving NGOs, trade union, and government representatives to facilitate cross-sector learning (Lund-Thomsen et al. 2012). Finally, enforcement mechanisms should be included in SCCs (Bird et al. 2019).

Secondly, supplier opportunistic behavior may be caused by the purchasing practices of buyers, whose economic incentives drive them to choose cost-efficient suppliers and put important price pressure on their subcontractors. Unreasonably high and increasing production demands or "high-powered productivity incentives" also impact SCC compliance (Asif 2020; Bird et al. 2019), as incentives to cut corners to produce more and quicker are associated with inferior labor practices and are likely to hinder workers' engagement in SCC implementation. As accurately underlined by Jiang (2009b), profit-based market governance alone is not sufficient to drive positive change of suppliers' commitment to SCC implementation.

Finally, these above-mentioned factors challenging SCC compliance can be moderated by a condition of the MNE characteristic: their internally driven social commitment. The study of Sethi et al. (2011) analyzing the 9 years implementation process of Mattel Inc.'s SCC exemplifies well this con-

dition. Initially, Mattel's code was effectively implemented and triggered a drastic improvement of labor conditions in supplier factories, notably due to a proactive attitude from the company involving sharing the economic burden of code's implementation. After 3 years, the company's commitment to code compliance started declining, as costs for the SCC implementation were significant compared to the companies' competitors (Sethi et al. 2011). This tells us that, not only must MNEs be socially committed to their SCC implementation, but their commitment must also take the form of an economic participation to compliance costs on the long term. Observing a similar pattern, Oka (2010) observes that reputation-conscious buyers, by fear of consumer retaliation, show greater investment of time and resources in implementation programs and therefore opt for direct relationship with suppliers. In contrast, cost-conscious buyers prefer market-based transactions for efficiency reasons, which are less likely to trigger SCC compliance (Oka 2010). In most companies, there seems to be an unspoken accord that labor standards do not have the same weight and value than other contractual terms like price, quantity and quality of services (Bird et al. 2019). From its field observation, Locke (2013) observes that most compliance officers investigating labor conditions have less influence than their purchasing or sourcing colleague when deciding to place an order in a supplier factory. This relates to the work of Tilcsik (2010), who explains that an organization needs individuals with both *motivation* and *power* to carry out the policy in every day practice, and implement it substantively. To counter decoupling, organizations must appoint compliance officers with strong incentives or ideological motivation to do so.

Ultimately, buyers' intrinsic and genuine interest in producing ethically and put ethical commitment as a priority, notably by granting compliance officers with sufficient action power, and financial means, is the silver lining of all monitoring and implementation mechanism put in place.

3.5.3 Buyer-supplier level: the relational factor

As underlined by Oka (2010) and Egels-Zanden (2014), supplier-buyer relationship is the most important variable affecting code's impact. Their cooperation (1), long term and trusting relationship (2), and suppliers' independence to develop their own strategies (3) constitute factors shown to increase SCCs' effectiveness.

Firstly, the theory that a collaborative buyer-supplier relationship has a positive impact on compliance is referred to as the cooperation theory or peer-to-peer governance, opposing the buyer-to-supplier governance. Instead of relying on threats of sanction to comply with codes, this idea relies on social mutual adaptation in which idiosyncratic investments must be made on the buyer's side, in cooperation with the supplier (Jiang, 2009). Others referred to the "joint problem solving" or "commitment-oriented" approach (Locke et al 2009), where both buyers and suppliers' responsibilities are "*highly intertwined and mutually reinforcing*" (Jiang, 2009). These

approaches involve the incorporation of voices of suppliers, workers and communities in the design of compliance mechanisms and monitoring. They aim to lead to policy recoupling, by ensuring that priorities of local actors are the ones shaping private regulation, instead of being driven by what western companies consider priorities. Unfortunately, the use of private regulation was criticized for its risks of neo colonial ethno-centrism risk, as it insufficiently includes voices of suppliers in the talk (Lund-Thomsen, 2012).

Secondly, linked to the importance of supplier and buyer cooperation, is the type of relationship they maintain. Trusting buyer-supplier relationships is key to improve working conditions in global production networks (Frenkel 2001; Locke et al. 2009; Oka 2010; Egels-Zanden 2014). In these studies, trust was measured by the length of the relationship, the collaboration between the buyer and the supplier, the frequency of visits, and their open communication. Locke and Romis (2009) for instance have compared two Mexican Nike factories, referred to as "plant A" and "plant B", to explain the compliance differences between those two factories. Plant A had more frequent visits and more open communication with Nike's regional staff and management, which led to the development of greater trust and a better working relationship between these two actors, compared to Plant B. According to the authors, this relational difference is partly responsible for the more acute compliance in Plant A. In that sense, SCCs are more impactful in direct buyer-supplier relationships (Hoang & Jones, 2012), underlying the importance for companies to extend their relationship with suppliers beyond the first-tier level (Meijas et al. 2019).

Finally, instead of implementing SCCs in a top-down fashion via the imposition of sanctions and monitoring mechanisms, the alignment of buyers' interests and suppliers' working conditions will establish actual commitment by all parties of the supply chain. After all, it was demonstrated that suppliers are more compliant when given more schedule flexibility in their production schedule (Locke, 2007), which demonstrate the importance of leaving a margin of action and flexibility to suppliers.

3.5.4 Supplier level factors

At the local level, suppliers' organizational structures and employment practices impact SCCs' compliance (1). Effectiveness factors include the supplier internal commitment to labor standards (2), and the presence of trade unions at factory level (3).

Firstly, supplier characteristics and employment practices play a role in SCC compliance. The study by Bird et al. (2019) focusses on suppliers' structural specificities and demonstrate that factories paying workers on a piece-rate basis are less likely to see an improvement of labor conditions. In the same way that high-powered productivity incentives stemming from the buyer deteriorate labor conditions, factories favoring short term productivity by paying workers by the piece produced instead of structur-

ally are unlikely to invest substantial resources to improve labor practices. Other employment practices impact the likelihood of code compliance, such as the level of workers' autonomy on the workplace, the multi-tasking of workers as opposed to single tasking and the production diversity (Schuster & Maertens 2016), and workers' regular trainings (Locke et al. 2007). In fact, the work organizations and human resources management of suppliers predicts their capacity to adapt to the labor standards included in codes. Certification to management system standards, such as the ISO norms, are a good way to identify suppliers ensuring sustainable production practices (Bird et al. 2019), and in turn are associated with greater coupling of labor codes and labor practices. Two studies assess the impact of foreign ownership on supplier labor conditions but reach different results: Oka (2010) observes that Western ownership of supplier factories increases compliance with codes' labor provisions in Cambodia, while Locke and Romis (2010) claim that foreign ownership and management negatively impacts labor conditions in supply chain factories in Mexico. The former considers that Cambodian-owned factories lack managerial know-how and financial means to comply with labor conditions, and the latter explains that linguistic barriers and the lack of incentives to improve labor standards explained lower rates of compliance in foreign-owned supplier factories.

Secondly, suppliers' continuous commitment to employee welfare and well-being, and their internal motivation to provide decent labor conditions is an important factor of code recoupling (Frenkel & Scott 2002; Locke & Romis 2010). In some regions, it was shown that workers were partially or completely unaware of the existence of codes and lacked access to information and communication with their management, which hampered the improvement of working conditions (Barrientos & Smith 2007). To tackle this miscommunication, suppliers need to appoint managers with an incentive or an ideological motivation to implement SCCs at factory level and to carry out the policy in everyday practice (Tilcsik, 2010).

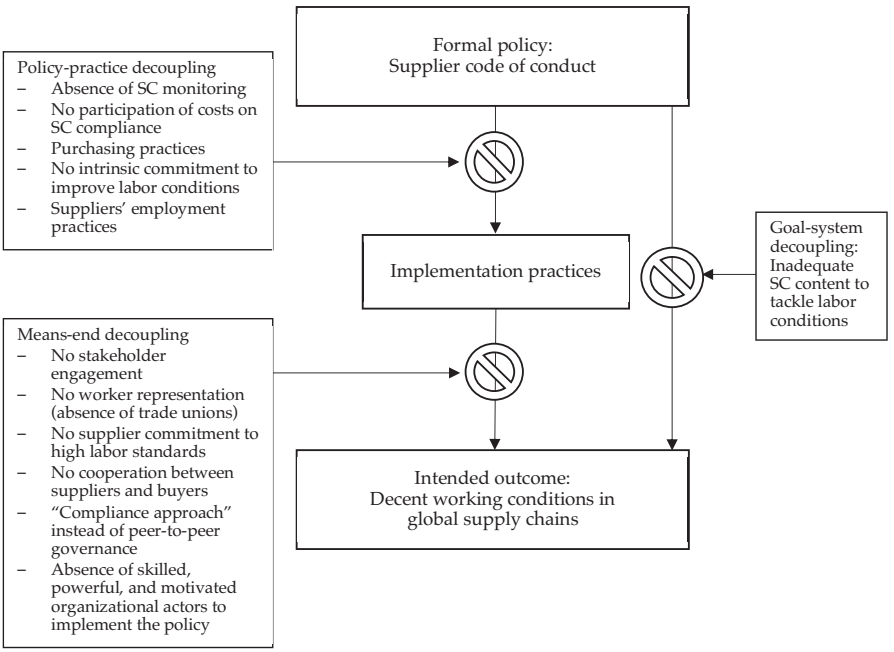
Thirdly, the presence of trade unions at supplier factory level is proven to positively relate to enhanced code effectiveness (Bird et al. 2010; Oka 2016). In Bird et al.'s research, unionized suppliers improved their labor practice score 20% faster than nonunionized suppliers, based on factory audits. Similarly, Oka (2016) conducted an empirical study on the impact of trade unions in the garment sector in Cambodia. Results show that union presence improves factories' compliance with regard to wages, hours, and leave standards, but less so vis-a-vis safety and health issues. The possibility and facilitation of collective bargaining at supplier level have also proven useful to empower workers and claim their rights.

3.6 Discussion

This review develops a systematic investigation of previous research on the relationship between supplier codes of conduct and the improvement of

labor conditions in global supply chains. It can be safely concluded that the mere presence of SCCs is not a direct predictor of ethical behavior or even of a change of behavior, both at the buyer and supplier level. Institutional theory and goal displacement theory may shed light on the decoupling and recoupling process. The conceptual model below merges Bromley and Powel (2012) and De Bree and Stoopendaal's (2020) models of stages of decoupling and adapts it the specific policy of supplier codes. The process leading from the formulation of goals in SCCs to the improvement of labor practices, e.g. the intended outcome, can be interrupted at three stages: there can be a goal-system decoupling, policy-practice decoupling, and a means-end decoupling.

Conceptual model: Process of supplier code decoupling



Note: Conceptual model adapted from the theory by Bromley and Powell and De Bree and Stoopendale

A goal-system decoupling occurs when the objective of insuring decent working conditions cannot be reached using SCCs, as the policy itself is inadequate to solve the underlying goal (de Bree & Stoopendaal 2020). For instance, if the goals are vaguely formulated, as often in SCCs, this can easily lead to goal displacement (Abramson 2009). Here, the study of SCC content is paramount in understanding whether the goal of ensuring decent labor conditions is in line with the management system (the code). The policy-practice decoupling stage arises when SCCs are not substantiated by daily practices such as monitoring or compliance mechanisms from the company's end, hence when the policy is adopted symbolically but not

substantially implemented (Bromley & Powell 2012). Finally, the means-end decoupling occurs where organizations develop substantial resources to implement policies, but those have a remote link to core goals or fail to reach the intended outcome, also called the "symbolic implementation" (Bromley & Powell 2012). Many empirical papers in this review identify this phenomenon, the auditing process being largely criticized to satisfy institutional legitimacy demands without fundamentally addressing the root problems of labor right violations (Bird et. al. 2019). This relates to Power's criticisms on the audit society (1999) and Strathern's audit culture (2000), as scholars notice that auditing and other monitoring activities to assess SCC compliance can serve to limit MNEs' legal liability instead of improving working conditions. Ultimately, excessive focus on compliance leads to goal displacement, compliance becoming the new goal (De Bree & Stoopendael 2020). As Paiement (2021) underlines, the system of transnational auditing labor conditions in global supply chains authorizes the auditors to make decisions on factories' compliance regarding specific legal requirements, but disregards other instrumental aspects of workers' protection such as buildings structural safety. This gap between the *real outcome* measured in audits and the *intended outcome* to improve labor practices can also occur due to supplier dishonesty in the auditing process and despite a motivated implementation process established by the buyer company. With the threat of substitution, especially in highly competitive sectors, suppliers may feel pressured to cheat on their compliance ratings and hide incidents of non-compliance (Locke 2007). At this stage, some labor conditions seem to be decoupled more than others, as the auditing system favors the implementation of visible aspects of codes such as health and safety provisions and wages, but is less able to identify less visible and more deeply embedded aspects relating to workers' rights and discrimination. Empirical studies in this review measured higher impact results for OHS provisions than for collective bargaining rights (see section 3, Table 4). In fact, technical aspects of labor right violations are easily flagged in audits and can be addressed relatively quickly, whereas systemic issues of unfair treatment of workers deeply rooted in management and cultural systems is unlikely to be affected by companies' implementation programs based on compliance rating. This is the difference identified between the *outcome rights* as compared to *process right (*Barrientos & Smith 2012), a relevant distinction when studying supplier code's impact on labor conditions.

Taking into account all factors of effectiveness identified by empirical scholars and classified in table 5, a road to recoupling supplier code and global practice can be proposed. It was demonstrated that an initially decoupled SCC may trigger behavioral changes and lead to the improvement of workers' rights (Egels-Zanden 2007). Indeed, a policy's symbolic adoption can provoke a dynamic evolving phenomenon of recoupling if continuous pressure is exerted at different organizational levels (Tilcsik, 2010), hence gradually aligning human rights practices with policies after increased reporting and monitoring (Cole 2005). At the institutional level,

pressure to adopt a comprehensive SCC may help aligning the goals and the system, by making sure that SCC content includes the objective of improving labor standards. This institutional pressure can, in time, lead companies to transform their organizational structures, if new members such as quality managers and compliance officers enter the organization to implement the formal policy. Internal power dynamics where new committed professionals are appointed leads to the creation of new policies, if those are motivated both intrinsically and ideologically (Tilcsik, 2010). To recouple policy and practice, committed compliance officers should be given sufficient power to carry the policy in every day practice, put in place intensive and long-term surveillance with many audits improve their labor conditions over time (Lindholm et. al. 2016), and make sure that the buyer company financially participates in implementation costs that may arise. Finally, to recouple the means-end gap, it is necessary for corporations to transform global supply chain management systems and depart from the traditional compliance model to tackle root causes of workers' rights violations. This new type of governance proposed by empirical scholars is called the *peer-to-peer governance* (Jiang 2009) or the commitment approach (Locke et. al. 2009), and necessitates the establishment of long term and trusting buyer-supplier relationships involving stakeholder engagement in the implementation process, notably by granting a seat at the table to workers' representatives.

Another contribution is important to bear in mind for empirical scholars. Assessing a causal relationship between the existence of SCCs and a change in labor practices will never lead to certain results, as too many factors impact labor conditions. Here, importance to the methodological framework and its limitations should be highlighted in studies. When research designs rely predominantly on audits to measure the improvement of labor conditions, they in fact assess the improvement of *compliance* with labor conditions. This measurement may undermine the means-end decoupling possibility, thus giving incomplete results on SCCs' impact. Observing compliance ratings improvement is insufficient to draw conclusions of SCC effectiveness, instead measuring SCCs' impact requires the evaluation of working conditions over the period of SCCs' implementation, and the elimination of factors affecting labor conditions unrelated to SCC presence, to the extent possible. Studying decoupling in motion by developing longitudinal studies allows to explore how responses to institutional pressures are formulated over time and are evolving, rather than studying responses at a single point in time, a recommended path for researchers (Tilcsik 2010).

Finally, this literature review also highlights that the institutional legal and social context in which both suppliers and buyers evolve highly impacts SCC compliance and the quality of labor conditions, which private actors are often unable to affect. Private regulation and supplier codes therefore have undeniable limits to improve labor conditions worldwide, thus are not stand-alone policies and need to be supplemented by public regulation. However, when raising the question of whether SCCs are positively affecting labor conditions within their capacity of action, I conclude

that it highly depends on the efforts developed both by buyers and suppliers in the code implementation and their intrinsic ethical commitments to prevail decent labor conditions, in line with previous studies investigating decoupling processes and the discrepancy of ideological beliefs between the policy and the decision makers (Tilcsik, 2010). Many pathways are recommended to increase SCC impact, but all relate to one common criteria: ensure that both parties are committed to the code implementation on the long term, notably by establishing a collaborative relationship between the buyer and the supplier.

3.6.1 Limitations of the review

This review is limited by the key terms selected to be included in the review and the scope of its research question. The selection process after the key-word selection was done manually by a single researcher reviewing the papers. Moreover, non-empirical studies were not included, thus potentially limiting factors identified by other means. Additionally, papers not included in the EBSCOhost database are not considered. Finally, and more importantly, it is beyond the scope of this paper to identify how public institutions should regulate the complex labor challenges of global supply chains. The impact of institutional pressures pending on corporations to adopt and implement SCCs was not studied in depth but is a necessary next step for research.

3.6.2 Suggestions for future research & practice

While 33 papers have tested SCC compliance and effectiveness in different contexts and using varied methods, the field remains limited and further research is necessary to assess SCC impact. As Hoang (2019) highlighted, research is especially scarce on SCC impact on the "bottom" end of the supply chains, hence those that do not have a direct link with the MNE. At prima facie, SCCs are mainly ineffective when there is no direct relationship with the supplier, which is concerning as most human rights violations occur at the bottom of the supply chain as they have little to gain from improving their labor standards (Hoang, 2019). Studies should indicate how companies could use their leverage and support code implementation among these suppliers. Moreover, further empirical studies should focus on factors of effectiveness rather than factors of compliance, notably by presenting best practices scenarios and identifying what works in practice to improve suppliers' labor standards. It would be particularly relevant to study stakeholder engagement and workers' empowerment in the implementation of SCC, as it is an important factor of recoupling. As of today, few studies present good practice mechanisms to engage with different stakeholders in global supply chains, which is an important challenge for MNEs to overcome.

Short et al.'s study already considers the impact of planned and

unplanned audits and highlight the pros and cons of unplanned audits as compared to the announced audits. Since this aspect is somewhat lacking in the other studies yet is highly discussed in the theoretical literature (Power, 1999), it would be good to further explore how monitoring approaches can be deployed and combined to leverage their comparative advantages (Short et. al. 2020). It would be especially relevant to identify the best auditing techniques, which are first investigated by practitioners and then integrated in scientific work.

Finally, it is clear that SCCs have a limited impact on labor conditions worldwide and are not self-sufficient. Global regulation of labor standards cannot be abandoned to private forms of governance. States must insure a "level playing field" and fair competition obliging decent labor standards for all industries. On their end, companies can continue to adopt SCCs to create cooperative relationships with their suppliers on social and labor matters, as this approach is proven to impact positively labor conditions in global supply chains. It is necessary to pursue research on how this relationship overlaps, and how can public power positively influence supplier-buyer relationship and global supply chain governance, notably to ensure the flow of information, pushing MNEs to be reputation conscious and fear consumer retaliation.