



Horizontal Collaboration in Response to Modern Slavery Legislation: An Action Research Project

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Abstract

Purpose: To investigate how horizontal collaboration aids organisations in responding to modern slavery legislation and in gaining a socially sustainable competitive advantage.

Design/methodology/approach: Action research has been conducted in the textiles & fashion industry and a relational perspective adopted to interpret five collaborative initiatives taken to tackle modern slavery (e.g. joint training and supplier audits). The primary engagement has been with a multi-billion pound turnover company and its collaborations with 35 brands/retailers. A Non-Government Organisation (NGO) and a trade body have also participated.

Findings: Successful horizontal collaboration is dependent on both relational capital and effective (formal and informal) governance mechanisms. In collaborating, firms have generated relational rents and reduced costs creating a socially sustainable competitive advantage, as suggested by the relational perspective. Yet limits to horizontal collaboration also exist.

Research limitations/implications: The focus is on one industry only, hence there is scope to extend the study to other industries or forms of collaboration taking place across industries.

Practical implications: Successful horizontal collaborative relationships rely on actors having a similar mind-set and being able to decouple the commercial and sustainability agendas, especially when direct competitors are involved. Further, working with non-business actors can facilitate collaboration and provide knowledge and resources important for overcoming the uncertainty that is manifest when responding to new legislation.

Social implications: Social sustainability improvements aim to enhance ethical trade and benefit vulnerable workers.

Originality/value: Prior literature has focused on vertical collaboration with few prior studies of horizontal collaboration, particularly in a socially sustainable supply chain context. Moreover, there has been limited research into modern slavery from a supply chain perspective. Both successful and unsuccessful initiatives are studied, providing insights into (in)effective collaboration.

Keywords: Horizontal collaboration; relational theory; modern slavery, action research.

Paper type: Research Paper

1. Introduction

Modern slavery is attracting significant media attention (e.g. *The Guardian*, 2016) while legislation has prompted discussion of this social sustainability issue in the academic literature (e.g. New, 2015). For example, new UK legislation requires organisations with a turnover greater than £36 million to publish an annual statement regarding action taken to combat modern slavery in their supply chains (UK Government, 2015). The following definition of modern slavery has been proposed: “*the exploitation of a person who is deprived of individual liberty anywhere along the supply chain from raw material extraction to the final customer for service provision or production*” (Gold et al., 2015, p.487). The complex and global nature of modern supply chains means tackling this exploitation is challenging for firms to do alone (Gold et al., 2010). As a result, firms are looking beyond their boundaries, including by collaborating with competitors. Thus, there is a need to understand how this type of collaboration – referred to as horizontal collaboration (e.g. Touboulic and Walker, 2015a) – can assist firms in combating modern slavery. It is also important to understand the impact of horizontal collaboration on competitive advantage in terms of social sustainability performance.

The literature has broadly defined supply chain collaboration as “*multiple firms or autonomous business entities engaging in a relationship that aims to share improved outcomes and benefits*” (Soosay and Hyland, 2015, p.613). Thus, collaboration can exist in many forms – internally, externally, vertically, and horizontally (Barratt, 2004) – and is often regarded as a deliberate strategy (Fawcett et al., 2010). In their content analysis of the collaboration literature, Soosay and Hyland (2015) found that research has concentrated on dyadic buyer-supplier vertical collaboration. Miemczyk et al. (2012) called for researchers to look beyond dyadic relationships by taking a network perspective that includes horizontal relationships and the roles of non-business actors. Few authors have explored horizontal relationships in the context of Sustainable Supply Chain Management (SSCM), with Touboulic and Walker (2015a) suggesting the relational view (Dyer and Singh, 1998) would be an appropriate theory for such future work. More generally, supply chain research into modern slavery is limited, with Gold et al. (2015) calling for more empirical work. Further, although previous studies have considered the impact of environmental regulation (e.g. Sharfman et al., 2009;

Ramanathan et al., 2014) there is a need to also examine the impact of social regulation, i.e. modern slavery legislation, on collaboration.

In the light of the above, this paper uses relational theory to investigate how horizontal collaboration aids organisations in responding to modern slavery legislation and in gaining a socially sustainable competitive advantage. It asks:

How can horizontal collaboration, including the involvement of non-business actors, aid organisations to gain competitive advantage in terms of social sustainability performance, in response to modern slavery legislation?

An action research approach has been undertaken where the primary engagement was with the evolving modern slavery related practices of a major international company in the textiles and fashion industry and its horizontal collaboration with 35 brands as well as two non-business actors (a Non-Government Organisation (NGO) and a trade body). Five collaborative initiatives were studied, leading to two novel contributions. First, we provide empirical insights into retailers' collaborative responses to modern slavery legislation. Second, we provide a theoretical contribution using a relational perspective. In particular, the concepts of relational rents, relational capital, and governance further our understanding of how horizontal collaboration enables firms to gain competitive advantage in terms of social sustainability performance.

The paper continues in Section 2 by reviewing the literature and then by outlining the research method in Section 3. Sections 4 and 5 respectively present the findings and the discussion. Section 6 contains the conclusions, including implications for research and practice.

2. Literature Review and Theoretical Background

An overview of the key horizontal supply chain collaboration literature is provided in Section 2.1 below. Section 2.2 then discusses horizontal multi-stakeholder collaboration, including collaboration with non-business actors, before the relational view is discussed in Section 2.3.

2.1 Horizontal Supply Chain Collaboration

Most extant literature concerning horizontal collaboration has focused on logistics collaboration, such as competing suppliers or retailers sharing containers and

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4 warehousing (e.g. Hingley et al., 2011) or non-competitive disaster relief logistics (e.g.
5 Schulz and Blecken, 2010). In terms of collaborating rival organisations, an early
6 example comes from the aviation industry, where competing airlines formed an alliance
7 to enable entry into new markets and increase their global transportation network,
8 attracting more customers (Oum and Park, 1997). Thus, research to date has shown that
9 both competing and non-competing organisations can collaborate horizontally and that
10 this can take place at different supply chain stages. However, there is a need to
11 understand the benefits that can arise from horizontal collaboration in contexts other
12 than logistics (and airlines).
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20 Chen et al. (2017) recently found that few researchers have studied horizontal
21 collaboration in the context of SSCM. There are however a few papers that have
22 considered horizontal collaboration between suppliers for a common buyer (Lim and
23 Philips, 2008; Touboulic and Walker, 2015a) and between buyers (Nidumolu et al.,
24 2014). For example, Touboulic and Walker's (2015a) action research in the food
25 industry provided evidence of horizontal supplier-to-supplier relationships being formed
26 during supplier meetings facilitated by the buyer. Although the main focus was on the
27 vertical collaborative relationships between a large multinational buyer and each of its
28 eleven small agricultural suppliers, the suppliers share their achievements and
29 frustrations with each other during meetings, and this helps to shape the buyer's
30 strategy. But it was also suggested that suppliers may become unwilling to share
31 environmental information to retain a competitive advantage. Similarly, Lim and
32 Phillips (2008) studied Nike's collaborative compliance model, which facilitated best
33 practice sharing amongst competing suppliers resulting in improvements for the entire
34 global value chain. This arguably could not have been achieved in their previous arm's
35 length approach.
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47 Horizontal collaboration between buyers has been illustrated by Nidumolu et al.
48 (2014) using a case study of 'The Sustainable Apparel Coalition' (SAC) formed by
49 Walmart and Patagonia. This alliance brought together competing brands, retailers, and
50 manufacturers to improve sustainability performance within the industry by developing
51 The Higg index. This index allows environmental indicators to be compared at a
52 company, product, and factory level; and it encourages firms to compete on their
53 sustainability ranking. In some cases, buyer collaborations have developed into 'meta
54 organisations' (MOs), i.e. organisations made up of many members, which are
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4 becoming increasingly important for addressing corporate social responsibility issues
5 that require collective action (Berkowitz and Dumez, 2016). Berkowitz et al. (2017) for
6 example considered how corporate social responsibility (CSR) issues can be tackled at
7 the industry/sectoral level through MOs. In their study of the oil and gas industry, a MO
8 made up of 18 cross-sectoral major corporations improved CSR through standards
9 setting, reporting guidelines, and capability building.
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15 **2.2 Horizontal Multi-Stakeholder Collaboration**

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17 In addition to collaboration between competitors, there has also been research into
18 collaboration with external stakeholders such as NGOs or non-business actors
19 (Bäckstrand, 2006; Mena and Palazzo, 2012). Hahn and Gold (2014) for example have
20 considered collaboration amongst business and non-business actors when implementing
21 Base of the Pyramid (BoP) projects. These non-business actors contribute non-tangible
22 resources (such as local market expertise, information, and know-how) and facilitate
23 trust amongst other BoP actors. Other studies have researched collaboration with
24 NGOs; for example, McDonald and Young (2012) investigated the evolving
25 relationship between Greening Australia (NGO) and Alcoa (an Australian mining
26 company) where collaboration improved the reputation of both organisations. Similarly,
27 Rodriguez et al. (2016) researched the benefit of six firms collaborating with an NGO to
28 implement supplier development programs to alleviate poverty. Likewise, Albino et al.
29 (2012) confirmed that both vertical collaboration within the supply chain (customers
30 and suppliers) and outside (NGOs and governments) were effective for enhancing
31 environmental performance, reducing emissions and establishing innovative initiatives.
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43 In the context of modern slavery, Gold et al. (2015) discussed the multi-stakeholder
44 approach needed to remediate slavery with reference to initiatives in West African
45 cocoa farms and tobacco sourcing in Kazakhstan involving buyers, suppliers,
46 government, NGOs, communities, etc. The examples further highlighted the
47 complementary resources, including local knowledge that non-business actors can offer
48 to the relationship. However, there is scope to build on these insights by using first-hand
49 empirical evidence to further understand the impact of non-business actors being
50 present during horizontal collaboration. In particular, no prior literature has looked at
51 this empirically in the context of modern slavery.
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2.3 The Relational View

Although Dyer and Singh (1998) drew upon vertical buyer-supplier collaboration for illustrative purposes, relational theory has been extended to horizontal relationships by Walker et al. (2013), Hahn and Gold (2014), and Touboulic and Walker (2015b). This theory is deemed appropriate as it takes an inter-organisational perspective, viewing the linkages between firms as important sources of competitive advantage. We focus on three key elements of the theory below: relational rents, relational capital, and governance.

2.3.1 Relational Rents

According to relational theory, resources and capabilities are more valuable when combined in unique ways, resulting in relational rents, i.e. supernormal individual firm profits (Dyer and Singh, 1998). The theory postulates that there are instances when this competitive advantage can only be generated through joint idiosyncratic contributions specific to the collaborating organisations (Dyer and Singh, 1998). Most of the extant SSCM literature using the relational view has looked at the rents that accrue from vertical collaboration alone and/or collaboration with external parties (e.g. Simpson and Power, 2005; Gold et al., 2010; Paulraj, 2011; Albino et al., 2012; Blome et al., 2014; Theißen et al., 2014). For example, Gold et al. (2010) presented a conceptual framework to show that inter-organisational collaboration on environmental and social issues can develop joint valuable and rare resources and capabilities that are difficult to imitate. As a result, firms can compete with rival supply chains or networks, simultaneously achieving economic, environmental, and social performance. Touboulic and Walker (2015a) demonstrated that this can be extended to horizontal supplier-supplier relationships. Their study however did not use the theory to provide an in-depth examination of horizontal collaboration, given its focus was also on the vertical buyer-supplier relationship.

The concept of relational rents, although defined by Dyer and Singh (1998) as a supernormal profit, has been used more recently in the context of non-profit making organisations. For example, Hahn & Gold (2014) suggested that non-business actors such as CSOs (Civic Society Organisations) can generate a supernormal ability to meet their objectives of building public visibility and attractiveness to donors. There is however scope to enhance the concept of relational rents in the context of SSCM. To this end, factors can be identified from the SSCM literature that demonstrate how

collaboration can contribute to relational rents, including leverage and risk mitigation (Nidumolu et al., 2014), supply chain transparency (Carter and Rogers, 2008), improved manufacturing performance, inter-organisational learning, knowledge sharing and expertise, resource sharing, and capability building (Vachon and Klassen, 2008; McDonald and Young, 2012; Blome et al., 2014; Touboulic and Walker, 2015a). In addition, Carter and Rogers (2008) showed how collaboration can reduce the costs of actions taken to improve sustainability, such as collaborative audits that lower transaction costs.

2.3.2 Relational Capital

The extant literature has demonstrated that effective collaboration is dependent on relational capital. According to Kale et al. (2000, p.218) “*relational capital refers to the level of mutual trust and friendship that arises out of close interaction at the individual level between alliance partners.*” Similarly, Touboulic and Walker (2015a) referred to trust and relationship history as examples of relational capital. In this paper, we expand on this by including other factors that impact the collaborative relationship. These include communication, commitment (Simpson & Power 2005; Verghese and Lewis, 2007; Vachon and Klassen, 2008; Theißen et al., 2014), and the role of absorptive capacity during knowledge transfer (Vachon and Klassen, 2008).

2.3.3 Governance

The relational view has also helped authors to consider governance for SSCM (Vurro et al., 2010). According to Dyer and Singh (1998), effective governance is important to the creation of relational rents with the authors distinguishing between third party enforcement (e.g. in the form of legal contracts) and self-enforcement. Similarly, in their study of BoP partnerships, Hahn and Gold (2014) considered both formal and informal governance mechanisms. Formal mechanisms included formal contracts used for strategic alliances supported by informal mechanisms, such as trust and mutual goals. Touboulic and Walker (2015a, p.185) also identified support from top management as an effective governance mechanism; and they referred to the negative impact of a lack of effective governance, including a “*misalignment of time frames for achieving sustainability goals*”.

In conclusion, research has applied the relational view to buyer-supplier collaboration and is profit oriented. Touboulic and Walker (2015a) is the only study to

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4 have considered horizontal collaboration in a SSCM context, and none of the papers
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6 have focused on social sustainability in relation to modern slavery. Thus, there is a need
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8 to further understand how horizontal collaboration, including the involvement of non-
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10 business actors, can aid organisations to gain competitive advantage in terms of social
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12 sustainability performance.

13 14 **3. Research Method**

15 16 **3.1 Action Research Justification**

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18 Action research has become increasingly prevalent in the study of organisations
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20 (Easterby-Smith et al., 2012; Coughlan and Coughlan, 2016). It aims to influence
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22 practice and encourage change whilst providing contextual insights that facilitate theory
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24 building (Touboullic and Walker, 2015b). The researcher simultaneously takes action
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26 and creates knowledge (Coughlan and Coughlan, 2016). It therefore allows an in-depth
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28 understanding to be developed from participant observations and sometimes ‘unspoken
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30 information’ (Schoenherr et al., 2008). It relies on a collaborative approach where
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32 practitioners and researchers become ‘co-researchers’; there is a mutual dependency on
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34 each other’s skills, facilitated by a high level of trust enabling access to information
(Hult and Lennung, 1980; Näslund et al., 2010).

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36 There have been calls for SSCM researchers to undertake action research, with
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38 Touboullic and Walker (2015b, p.309) arguing that the case study and survey methods
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40 “are not sufficient to provide an integrated view of SSCM phenomena”. Modern slavery
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42 is a complex, sensitive issue, but adopting an action research approach has allowed us to
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44 work closely and develop trust with multiple brands, facilitating access to rich
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46 information. Furthermore, Coughlan and Coughlan (2016, p.237) stated that action
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48 research is “applicable to the understanding, planning and implementation of change in
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50 operations”. The approach is therefore appropriate for understanding the change
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52 process involved as organisations look beyond their boundaries to tackle modern
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54 slavery.

55 56 **3.2 Collaborating Organisations and the Unit of Analysis**

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58 The research team has engaged with the evolving modern slavery related practices of
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60 Fashion and Sports Co. – a multi-billion pound turnover company in the textiles and
fashion industry – and its horizontal collaboration with 35 brands/retailers. This is an
industry characterised by complex, global supply chains and high labour intensity

(Bruce et al., 2004), making it vulnerable to modern slavery (Gold et al., 2015). The brands and retailers vary in size and sell a range of items from UK high street clothing to sports brands and luxury fashion. Fashion and Sports Co. is hereafter referred to as Brand 1 while the other collaborators are referred to as Brand 2 to Brand 36. In addition, two external parties that collaborated with the brands have also participated in this research: NGO and Trade Body. The researchers established the project scope and research purpose with Brand 1, which was outlined in a formal agreement, including the protection of all sensitive information. The core participants have been anonymised and mainly comprised of Corporate Responsibility (CR) managers within each brand and general managers for NGO and Trade Body.

The nature of the relationship was such that, in effect, one of the researchers worked part-time for Brand 1 over a 20 month period. An excellent level of trust was consequently built with Brand 1, facilitated by the background of one of the researchers who had seven years of relevant industry experience. This level of trust enabled access to detailed plans involving horizontal collaboration to address the issue of modern slavery whilst developing their first modern slavery statement. This trust in turn led to introductions to other brands at events where responses to modern slavery legislation were discussed. At these events, a number of joint initiatives were developed and one or more of the researchers were engaged actors in five of these initiatives, as listed in Table I. Thus, these initiatives are the embedded units of analysis in this study, where the primary unit of analysis is the response to modern slavery legislation.

[Take in Table I]

Throughout the research project, the research team were mindful of the common pitfalls associated with action research. For example, as discussed by Näslund et al. (2010) and Coughlan and Coughlan (2016), it is important to ensure knowledge creation takes place so a contribution to academic theory is made as well as a contribution to the practice of the collaborating organisations. This was addressed by ensuring rigorous documentation and adopting a cyclical approach to the research involving reflection, as discussed in sections 3.3 and 3.4. Engaging in reflexivity is a key mechanism through which quality in action research can be ensured (Marshall and Reason, 2007). Other key elements include ensuring the researcher remains impartial (Koplin, 2005) and that there is transparency amongst researchers with regards to the choices being made during

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4 action research (Reason, 2006). Thus, regular meetings with all researchers and
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6 quarterly meetings between the researchers and a key representative from Brand 1 were
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8 held.
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10 **3.3 Data Collection**

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12 Multiple data collection methods have been used to provide triangulation and rich
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14 qualitative data (Näslund et al., 2010). Key data sources have included: participating in
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16 day-to-day activities, meeting minutes, discussion documents, observations, and
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18 interviews. Thus, the data takes a number of formats, including interview transcripts,
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20 meeting notes, and documents produced by the researcher and other participants.
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22 Diaries have, for example, been used to record key aspects of horizontal collaboration,
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24 including key observations and reflections (Coughlan and Coughlan, 2016). During
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26 meetings with multiple brands, ‘Chatham House rules’ applied, whereby participants
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28 discussed issues openly but their comments could not be attributed to them. Under these
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30 circumstances, quotes have not been recorded by brand or individual.

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32 These multiple methods of data collection were possible given the action research
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34 approach and that the first author was actively engaged in the organisations’ response to
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36 modern slavery legislation and the embedded initiatives. For example, the researcher
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38 participated in the planning and pilot stages of Initiative 4 (modern slavery training).
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40 This involved collecting data by conducting pre and post pilot training interviews with
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42 Brand 1 attendees, analysing the results, and sharing these with all collaborating brands.
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44 The researcher also attended the pilot training session and de-brief meetings afterwards.
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46 This process of reflection therefore involved all collaborating brands participating in
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48 this initiative and led to changes in the materials used at subsequent iterations of the
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50 training. Key data collection methods during this initiative included interview
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52 transcripts, meeting notes, diary entries, and documentation such as training materials.

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54 In addition to studying change within the organisations, the researchers also collected
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56 data on the nature of the horizontal collaboration taking place, including the relational
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58 rents generated, relational capital built, and governance mechanisms put in place. Thus,
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60 the data collection process also included tracking the commitment of brands as the
initiatives evolved through a process of reflection that was recorded in diary entries.

57 **3.4 Action Research Cycles**

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59 The action research framework outlined by Coughlan and Coughlan (2016) has been
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adopted to address rigour by engaging in multiple cycles of action. Each cycle contains

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4 a *pre-step* that involves understanding the rationale for action and four *main steps*
5 involving constructing, planning action, taking action, and evaluating action. It is this
6 process of evaluation or reflection involving the questioning of all aspects of the
7 research that is distinctive to the action research process (Näslund et al., 2010).
8 Additionally, ‘meta learning’ ensures monitoring and reflection throughout. As
9 illustrated in Figure 1, the action research project can be considered one major cycle
10 (i.e. representing the main unit of analysis: the response to modern slavery legislation)
11 with minor cycles (i.e. the five initiatives as the embedded units of analysis) taking
12 place within the project (Coughlan and Coughlan, 2016). Initiatives 1 and 2 took place
13 continuously and simultaneously throughout the engagement with Brand 1 whereas
14 other initiatives followed on from each other, feeding into the next cycle (e.g. Initiative
15 3 took place before Initiatives 4 and 5). There has therefore been a spiral of action
16 research cycles (Coughlan and Brannick, 2014). Detailed discussion of the steps involved
17 in these cycles are given in Section 4.
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29 [Take in Figure 1]
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32 **3.5 Data Analysis**

33 Given that the five collaborative initiatives are used as embedded units of analysis, each
34 one was first analysed individually through a within-initiative analysis followed by a
35 cross-initiative comparison. This is akin to the within-case/cross-case analysis in case
36 study research (Eisenhardt, 1989). It is applicable in the context of action research given
37 that it is considered by some to be a specific form of case study research (Näslund et al.,
38 2010). *Nvivo* software has facilitated data coding in two stages to identify themes and
39 categories (Yin, 2009; Miles and Huberman, 2013). Themes either emerged inductively
40 from the data or deductively from the literature, as shown in Table II. Each code was
41 discussed and a final categorisation agreed amongst the research team. Tabulation aided
42 the analysis (Coughlan and Coughlan, 2016), as further described in the findings below.
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52 [Take in Table II]
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55 **4. Findings**

56 As an example, Table III summarises the empirical evidence for Initiative 4, divided
57 into relational rents, relational capital, and governance mechanisms. Similar evidence is
58 available for the other initiatives and the major action research cycle (see Figure 1). Key
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4 aspects of the evidence are discussed below for the major and minor research cycles in
5 sections 4.1 and 4.2, respectively before Section 4.3 provides cross-initiative analysis.
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8 [Take in Table III]
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10 11 **4.1 Major Action Research Cycle: Collaborative Response to Legislation** 12

13 In February 2016, 22 UK-based brands and NGO attended a meeting initiated by Brand
14 24 to discuss a shared response to the new modern slavery legislation. Brand 24's
15 motivation for the meeting was recent media coverage that exposed their involvement in
16 an instance of modern slavery in the UK. The head of CR had to give evidence in a court
17 of law for 4.5 hours, during which he was asked to explain why his company audits did
18 not identify modern slavery within their supply chain. He summarised that this was both
19 a UK problem, "*we are dealing with criminals*" and an overseas "*ingrained cultural*
20 *problem*". This exposure brought momentum, highlighting the need for the industry to
21 come together to tackle modern slavery before others also found themselves in court.
22 Thus, this meeting was the catalyst for the five initiatives that followed.
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30 NGO led the meeting and shared their expertise of the 'problem' and 'causes' of
31 modern slavery. This centred on the 'Bait and Switch' concept, i.e. the offer of a great
32 job in another country (the bait). This persuades the potential worker to pay a fee to a
33 labour broker, but they are being miss-sold the job and end up in forced labour (the
34 switch). There was broad acknowledgement that modern slavery is taking place in all of
35 the brands' supply chains. Brands were for example already aware that workers'
36 passports were being taken from them and that the presence of migrants increased
37 modern slavery risk. It was evident that the brands were eager to tackle modern slavery
38 but were also anxious as they were responding to modern slavery legislation for the first
39 time. NGO promised to propose some actions and there was agreement amongst the
40 brands that they needed to raise awareness within their businesses, such as through
41 training and risk identification. After this meeting, two of the researchers and Brand 1
42 reflected on the discussions and worked with the CR team over several months to
43 determine collaboration opportunities and the scope of a series of five initiatives.
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54 As the initiatives progressed, Brand 1's strategic response to modern slavery began to
55 take shape. This resulted in many drafts of their modern slavery statement, which
56 included information on the initiatives being reviewed internally and with one of the
57 researchers. Their first statement was published in September 2017 and illustrated that
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they perceived relational rents to have been derived from the horizontal collaboration. Other brands also published their statements around this time, similarly referring to joint initiatives.

4.2 Minor Action Research Cycles: The Five Collaborative Initiatives

4.2.1 Initiative 1: Trade Body Meetings & Workshops

Many of the brands that attended the first meeting are members of an ethical trade body (Trade Body). Attendance at Trade Body meetings and workshops (Initiative 1) facilitated the four other initiatives described below, with four key meetings focusing on modern slavery during the research project, whilst the meetings themselves contributed to relational rents through knowledge sharing. Examples of knowledge sharing include:

- Brand 36 sharing their ‘Modern Slavery First Steps’, which included a modern slavery workshop conducted in India for local staff, suppliers, and auditors. Focus was given to encouraging transparency and having conversations rather than formal interviews with workers regarding fees, deposits, and living arrangements. A key message was the need to emphasise to global suppliers that the brands are not in competition when tackling ethical trade issues such as modern slavery.
- A revelation of recent exposure to modern slavery in the UK “*we got raided by customs and exile - it makes it an easy way to sell to the business that we need to do this [investigate modern slavery]*”.
- Brands sharing how to appropriately engage with high risk countries. One company showed videos to Indian factories of modern slavery in the UK. They explained “*We didn’t just say India is ranked high risk for slavery, we emphasised that this is a UK issue too*”.

The brands also frequently discussed limited resources and budget constraints particularly during tough trading, claiming that they “*can’t take resource into all of the tiny factories*”. Collaborating therefore provides a platform to discuss how to share resources. A representative from Trade Body explained “*Our approach is country wide risk assessment and working with companies to address collectively where their own leverage and resource can’t achieve beyond managing risk in their own supply chain*”.

Relational capital was also both demonstrated and developed further at these meetings and workshops. In particular, it was demonstrated through their common mind-set as it was evident that CR representatives were very passionate, with one expressing “*We [CR teams] live and breathe it [ethical trade]*”. The meetings also

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4 provided opportunities for CR teams to build informal relationships and foster mutual
5 trust. Despite the intent to share supply chain information to aid in tackling modern
6 slavery, confidentiality concerns amongst executives limit formal knowledge sharing.
7 Thus, opportunities to speak to each other informally at these meetings was important.
8 Further, some brands explained that they will informally call one another to update them
9 on any instances of malpractice identified during visits to shared factories. It also became
10 apparent that some brands have formed close relationships because of regularly
11 collaborating in Trade Body working groups. A representative from Brand 1 explained “*If*
12 *you don't join one [Trade Body] working group they go off and create more so you can*
13 *easily get left behind. It is therefore best to be in them all even if they are not completely*
14 *relevant to your business.*”

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16 In terms of governance, brands acknowledged that there is heightened awareness and
17 interest in modern slavery within their firms. This is particularly due to the legal
18 requirement to issue a modern slavery statement, generating executive attention.
19 However, honest conversations took place regarding how to get executives ‘on board’.
20 One brand explained “*They [executives] glaze over [on ethical trade issues] and don't*
21 *have time for training to be brought up to speed. They [executives] only have awareness*
22 *of modern slavery due to the law and that's due to the company secretary [panicking],*
23 *only then do they start to pay attention.*” Thus, common problems were established during
24 these meetings that were ripe for a collaborative response. This particular issue fed into
25 Initiative 4 as training was tailored to the needs of different types of employees.

26
27 After Trade Body meetings, one of the researchers would de-brief and reflect with
28 Brand 1's CR team to decide if any action was needed. Examples include meetings to
29 discuss risk assessment and training, which led to the development of Initiatives 2, 3,
30 and 4; and weekly team meetings with one of the researchers to evaluate progress.

48 49 4.2.2 Initiative 2: Purchasing Practices Project

50 Following ongoing Trade Body meetings and workshops, Initiative 2 was established in
51 which a group of European brands reviewed their purchasing practices, thereby aiming to
52 produce a set of guidelines to assist company buyers. As raised in the initial modern
53 slavery meeting in February 2016, the brands are aware that their purchasing practices
54 impact their suppliers leading to poor working conditions and increased modern slavery
55 risk. Brand 1's Head of Ethical Trade argued “*Most of our CR issues are created by us as*
56 *an industry - how on earth can a factory plan capacity*”. Given that factories work with
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multiple brands, a collective step-change is needed to make an industry-wide difference, enabling factories to compete without having to compromise on working conditions.

This initiative is possible due to high levels of relational capital as the brands are all known to one another and have previously worked together on other projects. As a result, there is a high level of trust, which enables an in-depth analysis and discussion of each other's purchasing practices in conjunction with the researchers. Thus, relational rents have been generated as each brand has provided their knowledge, expertise, and time to formulate a mutually agreeable set of guidelines that have been collectively refined through multiple iterations. This includes guidelines on planning/forecasting, price negotiations, production, and supplier relationships. Two of the researchers have been involved in refining the guidelines, followed by the iterative process of evaluating and refining them further. An example refinement was putting a greater focus on the specific demands buyers make that conflict with CSR requirements, such as short lead times that force suppliers to hire temporary/casual labour, which heightens modern slavery risk.

4.2.3 Initiative 3: Risk Matrix Project

Initiative 3 involved NGO producing a shared country risk matrix to help brands assess their current and future sourcing location decisions. This would also help brands prioritise their audit efforts as limited resources make it difficult to conduct in-depth investigations in every factory. The main purpose of the collaboration was to generate relational rents by spreading the cost of the risk matrix development amongst all collaborating brands, resulting in each brand having access to a risk profile of vulnerable worker populations across 22 countries. This would also free up resource as NGO would produce the matrix. A series of meetings took place between the different brands, NGO, and one of the researchers to scope out and plan the project.

Yet, although there was enthusiasm for the initiative, communication problems and a lack of commitment resulted in time delays and the initiative ultimately not taking place. Initiative 3 could therefore be argued to have been unsuccessful given that each brand developed their own, separate risk matrix tailored to their individual needs. Nonetheless, there were relational rents accrued from participating in the initial discussions, e.g. it helped each collaborator determine what was needed in their own organisation. Indeed, whilst developing their own risk matrix in collaboration with one of the researchers, Brand 1 regularly referred to the risk matrix information acquired

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4 from the initial collaboration with NGO and the other brands. Despite this individual
5 development, a representative from Brand 1 claimed they would be willing to share the
6 risk matrix with other brands for them to either individually or collectively use and adapt:
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9 “I want us to be confident our risk matrix is fit for purpose and donate it to our peers for
10 their free adoption.” This further demonstrates relational capital in terms of non-
11 competitiveness and the mind-set to work together to make industry improvements.
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15 16 4.2.4 Initiative 4: Modern Slavery Training

17 A group of 21 brands initially expressed an interest in this initiative following Trade
18 Body meetings (Initiative 1), but this reduced over time to just six brands. Five brands
19 in particular that were all members of Trade Body and had strong relational capital
20 (given their relationship history) drove the training. Key motivators for collaboration
21 included factors associated with relational rents such as cost saving and a lack of
22 resource at the individual organisational level. For example, the CR Manager from
23 Brand 1 explained “Training with [NGO] is costly and in Indonesia, for example, we
24 only have a few employees [too few to hold a training session]. We need to get other
25 brands involved with training [to consolidate training in regions]”.
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33 The companies collaborated from April 2016 onwards during both the development
34 of the training programme curriculum and the delivery itself. A key action during this
35 initiative was piloting the training scheme, which took place in July 2016 and one of the
36 researchers was heavily involved at this stage. This was the most reflective part of the
37 process and involved three stages: (1) a large group sharing initial thoughts; (2)
38 individual brands reflecting internally to suggest amendments – in the case of Brand 1,
39 this included pre and post pilot training interviews conducted by one of the researchers;
40 and (3) the formation of a smaller group to make the final revisions. Evaluations from
41 the reflective process were to make the training more interactive and include more
42 practical tools, exercises, and videos. It was also concluded that there needed to be a
43 clearer structure and that the training should demonstrate the impact of modern slavery for
44 both the victims and businesses. This led to the first rollout of the training scheme in
45 Asia in September 2016 attended by 40 employees from four brands. It included two
46 half-day buyer risk-flagging sessions (‘Avoiding Modern Slavery in Supply Chains’)
47 designed to help buyers identify and respond to risk indicators in the systems and
48 practices of suppliers.
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4 The impact of the collaboration and reflective process on relational rents was
5 summarized by an attendee of the first training session who claimed “*Having other*
6 *brands involved gave the training a different dynamic. Attendees had different levels of*
7 *experience – this gave a lot of richness to the discussion and we gave each other*
8 *advice*”. Although this joint training was a success, some brands left the scheme as time
9 progressed while others augmented the material. For example, in May 2017, Brand 1
10 conducted further individual training. An internal project team was created to plan and
11 produce this training material using the generic material as a starting point but tailored
12 to the company’s own supply chain and business requirements. A lack of
13 communication regarding individual plans caused delays to the joint training scheme
14 development, to some extent eroding relational capital.
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24 4.2.5 Initiative 5: Targeted Modern Slavery Audit

25 The feasibility and development of Initiative 5 was a direct result of Initiatives 3 and 4,
26 as the risk matrix identified the priority factory to visit and the trained employees were
27 equipped in understanding how to audit to uncover modern slavery. Therefore, in
28 November 2016, Brand 1 partnered with NGO and travelled to Thailand to conduct a
29 pilot modern slavery audit, accompanied by one of the researchers. Brand 1 invited
30 another of the factory’s key customers (Brand 18) to observe the audit process and
31 increase pressure/leverage. This relational rent was important in this context, as
32 explained by a representative from Brand 1: “*there are not many factories in which we*
33 *could influence policy without the support of other customers ... The more leverage we*
34 *have the more likely the factory is to engage*”. However, neither company had
35 previously conducted a targeted modern slavery audit, and they were therefore heavily
36 reliant on the expertise of NGO. Thus, knowledge sharing was with the NGO rather than
37 between brands. It is also important to note that Brand 18 did not want to contribute
38 financially to the audit. Brand 1 therefore agreed to let them observe on the condition
39 that they “*engaged [financially] in remediation*”. Brand 1 explained “*we have opened*
40 *their eyes to it [modern slavery issues] and we have then got a joint responsibility to*
41 *change, to fix*”.
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55 This collaboration between Brand 1 and Brand 18 was successful despite a lack of
56 initial relational capital as they did not have a prior relationship. They also had different
57 mind-sets in terms of supplier development as Brand 18 were more willing to switch
58 supplier. A representative from Brand 1 explained “*Brand 18 have got a much wider*
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4 *sourcing network and they could feasibly and very quickly pull out*". Developing
5 relational capital during the audit was also difficult due to power struggles caused by the
6 collaborating parties not having an equal investment in the initiative. As stated by a
7 representative from Brand 1 *"we don't want to cause an issue [create panic] if anything is*
8 *found, any issues are on our terms"*. Despite these difficulties, trust was developed, as
9 highlighted by Brand 18 adopting the role of translator during interviews with the
10 factory's management and document review. Initially, this was done by one of the
11 factory's managers but as a representative from Brand 1 claimed *"The factory wouldn't*
12 *have translated it all. [The representative from Brand 18] was good and picked up on*
13 *issues."* As the representative from Brand 18 was experienced and based in Asia, he had
14 local insight and could use his expertise to further probe the factory's management. He
15 also noticed anomalies and openly discussed these with Brand 1. Thus, relational rents
16 were generated (in terms of the audit findings) at the same time as relational capital being
17 built in terms of trust.

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The audit took place over four days and was a reflective process throughout with a
feedback loop built into the audit that involved a series of de-briefs between Brand 1 and
NGO. This helped cross-reference findings and identify any changes to the audit process
to follow up on key issues raised. Further, this reflective process helped to evaluate the
pilot process and develop a modern slavery audit protocol for future audits. For example,
Brand 1 concluded that if they were to repeat this exercise with Brand 18 or another
brand, *"we would need to agree in advance a lot more of the scope of it [the audit] and*
tell them exactly what our approach was and what we thought we were going to find."

4.3 Cross-Initiative Analysis

Table IV summarises the relational rents, relational capital, and governance mechanisms
affecting each collaborative initiative studied. For each factor, an 'X' signals relevance
(not relative importance) to a specific initiative, as shown for example for Initiative 4 in
Table III. It therefore highlights how common the factors are across the five initiatives.

[Take in Table IV]

In terms of relational rents, cost reduction was achieved in Initiative 4, which was
one of the costliest initiatives involving a direct payment to NGO. Had Initiative 3 taken
place, brands would have also benefited from a cost saving by dividing the expenses
paid to NGO. It is also anticipated that a cost saving will be made at a later stage for

Initiative 5 during collaborative remediation. Where a rent was not accrued, this was due to it not being an intended outcome of the initiative. In terms of relational capital, common factors such as trust, communication, commitment, and previous collaboration history impact success. The only differences appear for confidentiality concern, which was most prominent in Initiative 1 due to Trade Body meetings and workshops involving sensitive brand-specific information sharing. Finally, in terms of governance, all initiatives had both third-party involvement and top management support demonstrating these were of common relevance regardless of the nature of the initiative.

5. Discussion

In comparison to the prior literature, this paper makes four key contributions, which are discussed in turn below and lead to four propositions:

1. It finds that relational rents are generated through horizontal collaboration to achieve competitive advantage.
2. It provides empirical evidence to highlight how relational capital is developed in horizontal collaboration.
3. It provides empirical evidence to demonstrate the impact of both formal and informal governance mechanisms.
4. It considers relational rents, relational capital, and governance in both successful and unsuccessful horizontal collaborative relationships.

Firstly, the study advances our knowledge on the creation of competitive advantage through horizontal collaboration. Although the concept of relational rents was initially defined by Dyer and Singh (1998) as a supernormal profit, it has been used more recently in the context of non-profit making organisations (e.g. Hahn and Gold, 2014). In the context of our research, although the main focus is on business actors, the outcomes relate to social sustainability rather than directly to profits. Thus, the findings extend the literature by furthering our understanding of the benefits that can arise from horizontal collaboration in contexts other than logistics (e.g. Schulz and Blecken, 2010; Hingley et al., 2011). The contributions to relational rents vary by initiative, as shown in Table IV. In two initiatives (initiatives 3 and 4), a key purpose of collaboration was to spread the cost of employing the NGO across brands. Similarly, previous studies have identified how collaboration can lead to overall cost savings (Verghese and Lewis, 2007; Vachon and Klassen, 2008). Relational rents have been further generated by increasing supply

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4 chain transparency and leverage (Carter and Rogers, 2008; Nidumolu et al., 2014), and
5 by sharing knowledge, expertise, and resources. This has resulted in brands benefiting
6 from capability building in each initiative, most notably developing internal capabilities
7 for understanding risk and detecting modern slavery (Vachon and Klassen, 2008;
8 Touboulic and Walker, 2015a). This is particularly important as the brands were dealing
9 with the unknown, having not previously investigated modern slavery. Modern slavery
10 is a complex issue, requiring a deeper level of investigation than many other social
11 issues.
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14 In addition to the above, relational rents are also being built in terms of reputation for
15 appropriately responding to modern slavery legislation as organisations are undertaking
16 more initiatives via horizontal collaboration than they could undertake alone. Thus,
17 irrespective of the other outcomes of the initiatives, the majority of collaborating brands
18 have publicised their involvement in joint projects in their modern slavery statements.
19 Thus we also build on previous literature regarding the influence of legislation on
20 collaboration (Sharfman et al., 2009; Ramanathan et al., 2014) as the findings
21 demonstrate how legislation can provoke horizontal collaboration between business
22 actors. Further it is anticipated that modern slavery legislation will increase general
23 awareness and create extra media and NGO attention; and that the media and other non-
24 business actors will study the brands' modern slavery statements thereby further
25 incentivising them to undertake initiatives that reduce reputational risk and generate
26 relational rents. This discussion leads to our first proposition:
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29 P1: Relational rents can be generated through horizontal collaboration in response to
30 legislation and other external forces, thereby leading to competitive advantage for
31 the business actors involved. *In the case of modern slavery, new legislation is
32 combined with media scrutiny and NGO pressure, leading to a collaborative
33 response that generates relational rents in the form of cost savings, knowledge
34 sharing, new capabilities, and enhanced reputation, thus achieving socially
35 sustainable competitive advantage.*
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39 With regards to relational capital, the literature has identified trust as being an
40 important mediating factor (Cheng et al., 2008; Sharfman et al., 2009; Theißen et al.,
41 2014; van Hoof & Thiell, 2014) and suggested it emerges as a result of relationship
42 history (Touboulic and Walker, 2015a). This work however is largely in the context of
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4 vertical collaboration. Our study suggests that trust is similarly an important component
5 of a successful horizontal collaboration; however, in horizontal relationships, this is
6 generally developed informally via relational aspects of networking and a relationship
7 history from previous collaborative efforts. Yet the findings also provide an example of
8 trust being formed quickly despite no prior collaboration, as demonstrated by an
9 alliance between Brands 1 and 18 during Initiative 5 (Modern Slavery Audit). Trust is
10 found to be of particular importance when collaboration is between competitors due to
11 confidentiality concerns as firms seek to protect their individual competitive advantage.
12 For example, actors had concerns over sharing supply chain data, particularly during
13 Trade Body meetings and workshops (Initiative 1). This is similar to Touboulic and
14 Walker (2015a) who found that suppliers may be unwilling to share information to
15 retain a competitive advantage in the context of environmental sustainability. Therefore,
16 when competitors came together they generally attempted to put their individual
17 commercial agendas to one side. This however was more difficult when the competitive
18 and sustainability agendas overlapped. Consequently, gaining and maintaining trust is a
19 very delicate issue when collaborating horizontally.

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32 Many of the studied brands are attempting to integrate sustainability into their
33 business rationale, and the initiatives described are contributing to placing sustainability
34 at the forefront of decision making. For example, the purchasing practices initiative
35 (Initiative 2) is helping to ensure procurement decisions take potential social
36 sustainability consequences into account. Similarly, the modern slavery training
37 (Initiative 4) equips employees with modern slavery knowledge to support their day-to-
38 day commercial decisions. Thus, the findings confirm the common claim in the SSCM
39 literature that the sustainability agenda needs to be integrated into the business rationale
40 (Beske and Seuring, 2014). The findings therefore also demonstrate the importance of
41 relational capital in terms of the brands' collective mind-set to work together to make
42 industry improvements. This is particularly importance when forming horizontal
43 collaborations and encourages commitment. Although there are differences in the
44 brands' individual responses and modern slavery statements, their separate and
45 collective actions represent the competency of the industry, especially to the media and
46 other pressure groups. This discussion leads to the second proposition:

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59 P2: A successful horizontal collaboration is dependent upon building relational
60 capital, underpinned by establishing trust and commitment between business

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4 actors. *In the case of modern slavery, for trust and commitment to be established*
5 *it becomes important for competing business actors to decouple their commercial*
6 *and social sustainability agendas.*
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10 In terms of governance, the extant collaboration literature has found that formal
11 mechanisms are supported by informal mechanisms such as trust (Dyer and Singh,
12 2008; Hahn and Gold, 2014). Likewise, our findings demonstrate that governance can
13 be achieved through formal and informal mechanisms. However, in the context of
14 horizontal buyer-buyer collaboration, there are some significant differences. For
15 example, an informal governance mechanism was achieved via the involvement of third
16 party, non-business actors. Initiatives 1, 3, 4, and 5 involved either the Trade Body or
17 the NGO while Initiative 2 involved a global industry union that has not participated in
18 the research. Although some of the initiatives involved a direct payment to a third party,
19 brands were at liberty to pay for access to knowledge and resources and not use them.
20 The payment therefore does not lead to any formal governance. Instead, the third parties
21 adopted an informal mediating role – facilitating the collaboration and acting as a
22 central point of contact. Our paper therefore also contributes to the literature on multi-
23 stakeholder collaboration (Albino et al., 2012; Hahn and Gold, 2014; Rodriguez et al.,
24 2016) by providing evidence of buyers that have collaborated with non-business actors.
25 Further, it provides evidence of a multi-stakeholder approach being adopted to address
26 modern slavery in particular, as suggested by Gold et al. (2015). The non-business
27 actors were of particular importance to bridging the gap in modern slavery knowledge.
28 Modern slavery is a criminal issue leading to complex repercussions while there was
29 also concern regarding how the media would portray brands if any issues were
30 uncovered in the published statements. NGO are experienced independent experts in
31 modern slavery and their support and resources were imperative.
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48 In addition, our study has provided evidence of legislation being a formal governance
49 mechanism. As in previous studies (e.g. Touboulic and Walker, 2015a), top
50 management support generally provided effective governance, but this was as a direct
51 result of the modern slavery legislation that stipulated statements must gain boardroom
52 approval. This ensured CR teams received business support to collaboratively tackle
53 modern slavery within their supply chains. The findings also provided additional
54 evidence of self-enforcement achieved through collaborating brands appointing a lead
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4 from each company. This helped, for example, during the development of the training
5 curriculum in Initiative 4. Therefore, the following proposition (3a and 3b) is presented:
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9 P3a: Informal governance mechanisms can be created by involving non-business actors
10 that facilitate and support horizontal collaborations. *In the case of modern slavery,*
11 *non-governmental organisations and trade bodies can play an important role in*
12 *facilitating, mediating, and monitoring collaboration between business actors,*
13 *including by sharing knowledge and resources.*
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18 P3b: New legislation can create formal governance mechanisms that drive firms to
19 make improvements. *In the case of modern slavery, publicly released statements*
20 *require boardroom level approval, and this prompts top management involvement*
21 *that acts as an effective governance mechanism for improved standards and*
22 *transparency within the supply chain.*
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27 The findings from our study use the relational view to understand relational rents,
28 relational capital, and governance based on evidence from successful and unsuccessful
29 horizontal collaborative initiatives. Touboulic and Walker (2015a) called for a greater
30 understanding of the difficulties of achieving collaboration. Hence, the unsuccessful
31 initiative, i.e. the risk matrix project (Initiative 3), provides a further contribution. In
32 particular, it was apparent that the results emerging from this initiative were too broad
33 signifying the importance of collaborating when brands have similar needs. This
34 extends the previous literature that has considered this from a buyer-supplier
35 perspective only (Simpson and Power, 2005; Touboulic and Walker, 2015a). In
36 addition, although the joint training initiative (Initiative 4) was a success, some brands
37 left the scheme as time progressed whilst others augmented the material. Despite the
38 erosion of relational rents, findings from Initiatives 3 and 4 have, for example,
39 demonstrated that the brands were able to develop absorptive capacity to generate
40 relational rents within the collaborative relationship, providing empirical evidence to
41 support Vachon and Klassen (2008). This allowed the brands to create additional value
42 by working independently to develop individual risk matrices and training programmes.
43 Further, in all four successful initiatives, the level of commitment varied across brands,
44 with significant fluctuation over the course of the action research. This provides
45 additional insights into generating relational capital for effective collaboration.
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4 The evidence highlights the impact that a lack of effective governance can have even
5 in those initiatives deemed successful. This adds further evidence to the conclusion of
6 Touboulic and Walker (2015a, p.185) who identified the negative impact of a lack of
7 effective governance mechanisms, such as “*misalignment of time frames for achieving*
8 *sustainability goals*”. In our findings, a lack of communication could be seen as a lack
9 of commitment towards a given initiative, causing delays, leading to frustration amongst
10 collaborating parties. This is a result of multiple parties collaborating coupled with the
11 fact that each firm is working at its own speed to progress issues internally. Our
12 findings also show that a lack of effective governance mechanisms can result in power
13 struggles in the absence of a formal agreement. This was evident in Initiative 5 (Modern
14 Slavery Audit) as a result of the collaborating parties not making an equal investment.
15 The discussion now closes with our final proposition (4a to 4c):

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26 P4a: Horizontal collaborations that fail to meet a collective objective can still generate
27 relational rents at the firm level. *In the case of modern slavery, the knowledge*
28 *gained from an initial collaboration can be used to inform and enhance the*
29 *response of individual business actors for improving standards and transparency*
30 *within the supply chain.*

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35 P4b: Horizontal collaborations can fracture over time, thereby eroding relational
36 capital. *In the case of modern slavery, business actors that initially collaborated*
37 *may work individually when their goals diverge, they seek to maintain individual*
38 *competitive advantage, or to tailor the initiative to reflect their own specific*
39 *business requirements and supply chain characteristics, undermining the trust*
40 *that has been developed through their relationship.*

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45 P4c: Horizontal collaborations can fail or be delayed when there is a lack of effective
46 governance. *In the case of modern slavery, a lack of effective (informal and*
47 *formal) governance can create power struggles and delays as business actors*
48 *seek to meet their own targets for the collaboration and bring about change*
49 *internally within their own organisations.*

50 51 52 53 54 55 56 **6. Conclusions**

57 Few prior studies have explored horizontal collaboration in the context of SSCM, with
58 the majority of this work being on environmental sustainability. Meanwhile, there is a
59 lack of research into modern slavery from a supply chain perspective. Thus, this study
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has adopted a relational view using relational rents, relational capital, and governance to explore horizontal collaboration in response to modern slavery legislation. Action research has been used to understand how horizontal collaboration, including the involvement of non-business actors, has helped organisations gain a socially sustainable competitive advantage in this context. The findings reveal that firms are using collaborative initiatives to build new capabilities that improve social sustainability performance by generating relational rents in terms of the organisations' reputations for appropriately responding to modern slavery legislation. Further, the findings have highlighted the relational capital and governance mechanisms supporting or hindering successful horizontal relationships thereby extending the SSCM literature that has focused on vertical relationships. In terms of relational capital, trust is of particular importance between competitors and, in collaborating, competitors have to put their individual commercial agendas to one side to improve sustainability. The paper also highlights the role of non-business actors as an effective informal governance mechanism, facilitating horizontal collaboration whilst also providing much needed knowledge and resources for tackling a complex social issue.

6.1 Managerial Implications

This research provides managers with examples of how collaborative relationships can be formed in response to new legislation. Prior to modern slavery legislation, firms have not had this level of exposure to a criminal issue or had the threat of court appearances, which adds another dimension to social sustainability practices and reporting. Collaborating with other firms, particularly when there is uncertainty, can therefore help to develop an initial response, share expertise, and distribute costs.

When forming horizontal collaborations, it is important that firms have a similar mind-set and can decouple their CSR and commercial agendas, especially when collaboration involves direct competitors. Additionally, firms need to foster trust; hence, prior relationship history can be important to project success. It is also key that horizontal collaboration has top management support. This can enable information sharing, which can result in industry level improvements, and promote self-governance by ensuring CSR has heightened exposure throughout the business. It is important that CSR and specifically modern slavery is central to business decisions, particularly relating to purchasing practices. Modern slavery awareness therefore needs to be filtered

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4 throughout the organisation, which can be achieved by training all levels and
5 departments.
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7 Collaborative relationships can be facilitated by non-business actors. Involvement in
8 trade bodies, for example, can help identify potential collaborators. Both NGOs and
9 trade bodies can act as a central point of contact and share resources and expertise.
10 Enlisting the help of experts in areas such as modern slavery can also prove beneficial.
11 Once potential collaborators have been identified, time needs to be spent scoping
12 possible collaborative initiatives. During this initial stage, it is important to consider
13 each firm's individual needs. Collaboration can become counter-productive when firms
14 are not sufficiently committed and do not communicate effectively. This can lead to
15 projects being too time-consuming without sufficient pay-off, leading to frustration and
16 delays. It is therefore important that firms communicate with one another throughout.
17 Companies can also benefit from appointing a lead for each initiative to aid
18 communication and progression. It should however be noted that even if a collaborative
19 initiative is unsuccessful, the initial scoping and involvement can help with sense-
20 making, providing a foundation for a firm's own individual development or response.
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32 **6.2 Limitations and Future Research**

33 We have focused on horizontal collaborations that involved Brand 1 only. There may
34 have been other collaborations within the group that we were not aware of or able to
35 study. Further, our research is focused on responses to the UK modern slavery
36 legislation. Future research could consider how organisations are responding to
37 legislation in other countries. Other industries could also be studied while there is an
38 opportunity to consider whether firms should engage in cross-industry collaboration
39 where competition is not a factor. Finally, further analysis could be undertaken of the
40 involvement of third parties such as trade bodies and NGOs to explore the development
41 of relational capital, their governance role, and their contribution to developing
42 relational rents.
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Table I: The Collaborative Initiatives – The Five Embedded Units of Analysis

Initiative	Description	Brands Involved
1. Trade Body Meetings & Workshops	Collaboration with other trade body members through meetings and working groups to tackle specific industry issues. Focus has been given to modern slavery and members have shared best practice, discussed challenges and considered ways to overcome them.	25 Brands {1, 3, 4, 5, 6, 8, 9, 10, 12, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 34, 35, 36} Trade Body
2. Purchasing Practices Project	Collective review of purchasing practices to produce guidelines to assist buyers within their companies purchase products responsibly. The guidelines include a set of 'ideals' relating to e.g. forecasting, sourcing, price negotiations and production lead times. This results in responsible purchasing, which enables manufacturers to provide sustainable working conditions.	17 Brands {1, 2, 3, 7, 9, 11, 13, 14, 17, 22, 23, 24, 25, 30, 31, 32, 33} [Industry Union]
3. Risk Matrix Project	Development of a shared modern slavery risk matrix focusing on country risk to help brands assess current and future sourcing location decisions.	5 Brands {1, 3, 20, 24, 27} NGO
4. Modern Slavery Training	Producing a collective modern slavery training programme for all employees. The training programme intends to raise awareness and ensure decision making considers modern slavery risks by considering legalities, risk assessment, and modes of detection.	6 Brands {1, 3, 6, 20, 23, 24} NGO
5. Targeted Modern Slavery Audit	Collaborating to deliver a modern slavery audit at a high-risk factory focussing on detection through investigating the end-to-end worker recruitment process.	2 Brands (1, 18) NGO

Figure 1: Action Research Initiative Cycles

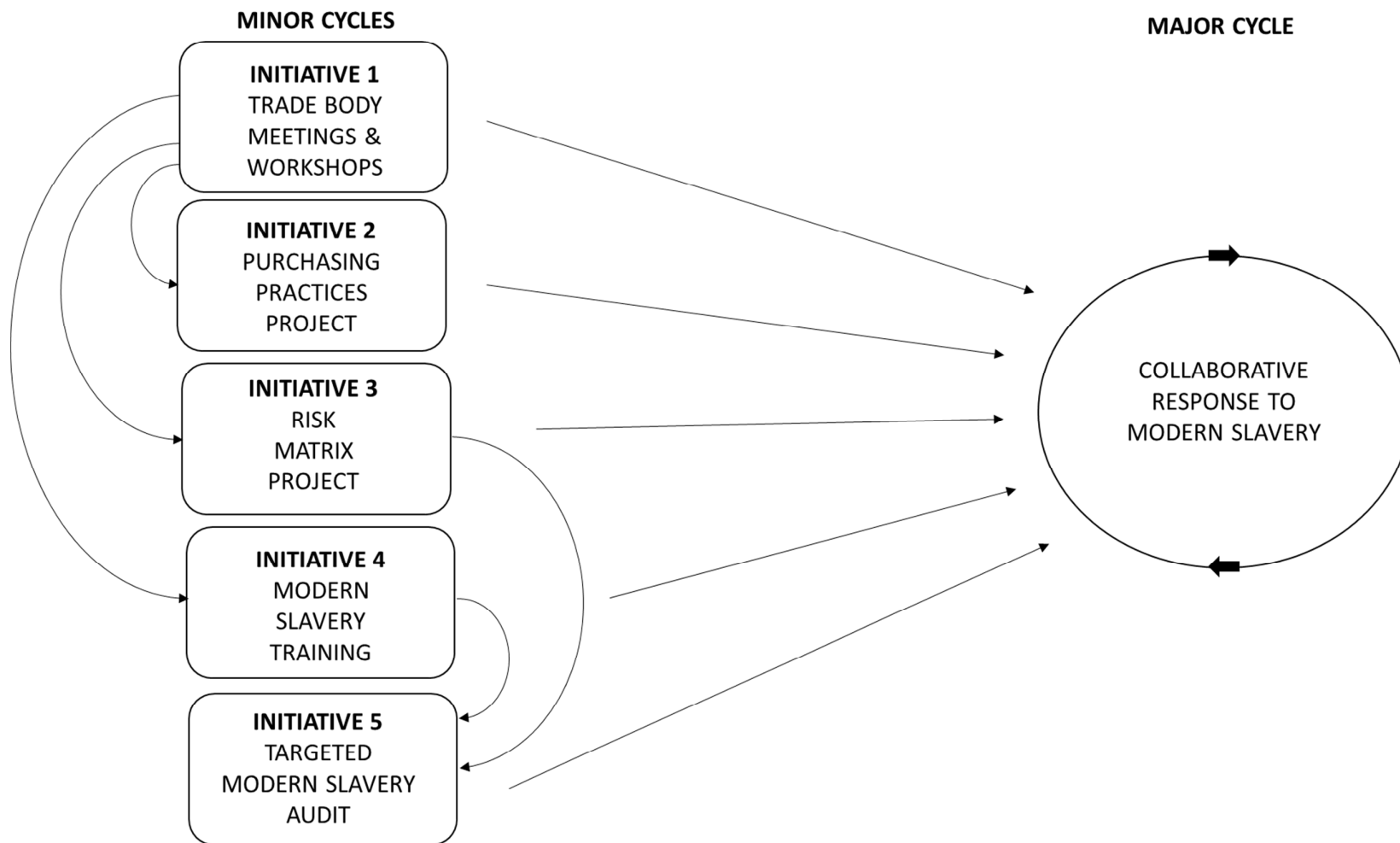


Table II: Summary of Inductive and Deductive Coding

Coding Theme	Inductive Coding	Deductive Coding: Example Sources from the SSCM Collaboration Literature
Contribution to Relational Rents		
Resource Sharing		Vachon & Klassen (2006); McDonald & Young (2012); Touboulic & Walker (2015a)
Cost Reduction		Verghese and Lewis (2007); Carter and Rogers (2008)
Leverage		Nidumolu et al. (2014)
Risk Mitigation		Nidumolu et al. (2014)
Knowledge Sharing and Expertise		Vachon & Klassen (2008); Albino et al. (2012); Blome et al. (2014)
Supply Chain Transparency		Carter and Rogers (2008)
Capability Building		Vachon & Klassen (2008); Touboulic & Walker (2015a)
Relational Capital		
Previous Collaboration		Simpson & Power (2005); Sharfman et al. (2009); van Hoof & Thiel (2014); Touboulic & Walker (2015a)
Mind-set	X	
Non-competitiveness	X	
Shared Responsibility	X	
Confidentiality Concern	X	
Trust		Cheng et al. (2008); Sharfman et al. (2009); Hahn & Gold (2014); Theißen et al. (2014); van Hoof & Thiel (2014); Touboulic & Walker (2015a)
Commitment		Simpson & Power (2005); Paulraj et al. (2008); van Hoof & Thiel (2014)
Communication		Verghese and Lewis (2007); Cheng et al. (2008); Touboulic & Walker (2015a)
Governance		
Third Party Involvement		Hahn & Gold (2014)
Top Management Support		Touboulic & Walker (2015a)

Table III: Within-Case Analysis of Initiative 4 – Summary of Sample Empirical Evidence

Initiative 4 Modern Slavery Training (Sample Evidence from a Variety of Data Sources)	
Relational Rents	
Resource Sharing	<ul style="list-style-type: none"> • <i>“To prevent duplication of work, costs and resources being unnecessarily wasted we suggested that we organise a meeting for brands to meet with [NGO] and see where we can share our knowledge and experience and importantly move forward together to meet the requirements outlined in the [Modern Slavery] Act”.</i> (Brand 24, CR Manager and 21 brands, email communication, January 2016). • <i>“We need to understand the risk and concentrate resources”</i> (Brand 1, Head of Ethical Trade, meeting notes, February 2016). • <i>“We [brands] can’t take resource into all of the tiny factories”</i> (supply chains made up of small factories) (Brand x, CR Manager, Trade Body industry forum, April 2016). • <i>“Having [NGO] conduct the training worked because it meant that it wasn’t just for us and we could have different brands involved”</i> (Brand 1, CR Manager B, meeting notes, October 2016). • Accessing NGO’s resources- trainers, curriculum resources (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016). • Training curriculum collectively developed amongst the brands and NGO (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016). • Brand 1 arranged filming and provided facilities for opening video to be shown at the beginning of the training session (Brand 1, Head of Ethical Trade, telephone notes, July 2016). • Brand 6 hosted pilot session in their office (Diary notes, July 2016). • Brand 1 hosted first training session in Hong Kong (Brand 1, Head of Ethical Trade, telephone notes, August 2016) • All brands to go through slides with comments and Brand 3 to coordinate (Pilot training session de brief with NGO and 5 brands, diary notes, July 2016). • <i>“As part of the action that the company is taking to tackle modern slavery, we ran a pilot session yesterday as part of a ground-breaking new training scheme. Conducted by [NGO] (an award-winning international NGO), Brand 1 has collaborated with brands 3, 6, 20, 23 and 24. Representation from across Brand 1 included areas such as CR, Supply Chain, Product Development, Legal and HR. The team helped to shape the course content which identified the challenges of trying to communicate complex Human Rights issues to a mixed audience. We will be working closely with [NGO] over the coming weeks to finalise this before the formal roll out”</i> (Brand 1, internal company announcement on intranet regarding pilot training session, July 2016). • <i>“Training with [NGO] is costly and e.g. in Indonesia we only have a few employees [too few to hold a training session] - we need to get other brands involved with training [intention to consolidate training in regions]”</i> (Brand 1, CR

	Manager A, diary notes, April 2016).
Cost Reduction	<ul style="list-style-type: none"> • NGO promised to come back to the brands with some proposals. Possibly to do some of the training as identified in the 'agreed next steps'. ("Modern Slavery Act (MSA) (2015) – thinking about a joint industry response" forum with 22 brands and NGO, meeting notes, February 2016). • Cost of training to be divided between brands involved (Brand 1, Head of Ethical Trade, meeting notes, April 2016) • <i>"Training with [NGO] is costly and e.g. in Indonesia we only have a few employees [too few to hold a training session] - we need to get other brands involved with training [intention to consolidate training in regions]"</i> (Brand 1, CR Manager A, diary notes, April 2016). • <i>"To prevent duplication of work, costs and resources being unnecessarily wasted we suggested that we organise a meeting for brands to meet with [NGO] and see where we can share our knowledge and experience and importantly move forward together to meet the requirements outlined in the [Modern Slavery] Act".</i> (Brand 24, CR Manager and 21 brands, email communication, January 2016). • Payment made to NGO- cost divided between brands (Brand 1, Head of Ethical Trade, Diary notes July 2016). • Training curriculum collectively developed (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016). • Brand 1 arranged filming and provided facilities for opening video to be shown at the beginning of the training session (Brand 1, Head of Ethical Trade, telephone notes, July 2016). • Brand 6 hosted pilot session in their office (diary notes, July 2016). • Brand 1 hosted first training session in Hong Kong (Brand 1, Head of Ethical Trade, telephone notes, August 2016).
Risk Mitigation	<ul style="list-style-type: none"> • <i>"We need training to improve MSA [Modern Slavery Act] awareness, understand how to spot modern slavery, how to investigate"</i> (Brand 1, Head of Ethical Trade, meeting notes, April 2016). • <i>"[we need training to] understand where the risks are, how to best approach them, how to engage with the suppliers on it and how to show the suppliers we value transparency rather than them telling us everything is fine"</i> (Brand 1, Sourcing and Product Manager, interview, July 2016).
Knowledge Sharing & Expertise	<ul style="list-style-type: none"> • <i>"[Training Attendees had] different levels of experience – this gave a lot of richness to the discussion [during the training session]"</i> (Brand 1, CR Manager B, meeting notes, October 2016). • <i>"Others in my group gave their advice [during the training session]"</i> (Brand 1, CR Manager B, meeting notes, October 2016). • <i>"It was also nice to have different people [from other brands] in the room, it gave it a different dynamic [during the training session]"</i> (Brand 1, CR Manager B, meeting notes, October 2016). • Brand 1 conducted pre-pilot training interviews asking attendees 'What do you expect from the training?' and requested post training feedback. This was shared with NGO and the 4 other collaborating brands (Email communication with 5 brands and NGO, July 2016). • Brand 24 experienced modern slavery within their supply chain. This was shared with the brands to develop a case

	<p>study and produce a video for the training sessions (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016).</p> <ul style="list-style-type: none"> • Working with NGO provides the opportunity to access their knowledge regarding Modern Slavery (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016). • <i>“As part of the action that the company is taking to tackle modern slavery, we ran a pilot session yesterday as part of a ground-breaking new training scheme. Conducted by [NGO] (an award-winning international NGO), [Brand 1] has collaborated with [Brand 3, 6, 20, 23 and 24]. Representation from across Brand 1 included areas such as CR, Supply Chain, Product Development, Legal and HR. The team helped to shape the course content which identified the challenges of trying to communicate complex Human Rights issues to a mixed audience. We will be working closely with [NGO] over the coming weeks to finalise this before the formal roll out”</i> (Brand 1, internal company announcement on intranet regarding pilot training session, July 2016). • <i>“This is our opportunity to really bring CR into people’s minds and give them something tangible to understand and work with [.....] people attending this training may know nothing about CR. It needs to be effective enough for them to deliver value and identify modern slavery, understanding it and share that knowledge”</i>. (Brand 1, CR Manager, interview, July 2016).
Supply Chain Transparency	<ul style="list-style-type: none"> • Training curriculum includes red flags/ indicators of modern slavery to help employees spot signs of modern slavery thus improving supply chain transparency. (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016). • <i>“[we need training to] understand where the risks are, how to best approach them, how to engage with the suppliers on it and how to show the suppliers we value transparency rather than them telling us everything is fine”</i> (Brand 1, Sourcing and Product Manager, interview July 2016).
Capability Building	<ul style="list-style-type: none"> • Training to help develop internal capabilities for understanding and detecting modern slavery (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016). • The pilot training session helped the brands understand the challenges of trying to communicate complex Human Rights issues to a mixed audience (Brand 1, Head of Ethical Trade, Meeting notes, July 2016). • <i>“This is our opportunity to really bring CR into people’s minds and give them something tangible to understand and work with”</i> (Brand 1, CR Manager, interview, July 2016). • <i>“People attending this training may know nothing about CR. It needs to be effective enough for them to deliver value and identify modern slavery, understanding it and share that knowledge”</i> (Brand 1, CR Manager, interview, July 2016).
Relational Capital	
Previous Collaboration	<ul style="list-style-type: none"> • Collaborating brands are Trade Body members, known to one another and have previously worked together (Diary

	<p>notes, July 2016).</p> <ul style="list-style-type: none"> • “Due to [CSR] <i>pressure on the [textiles and fashion] industry, we are used to collaborating</i>” Brand 1, Head of Ethical Trade, CR Team Meeting April 2016 • “[Trade Body] members work collectively over long periods of time” Trade Body Manager, meeting with members, October 2016
Mind-set	<ul style="list-style-type: none"> • “<i>Following on from our conversation I have scheduled a conference call with [NGO] and the small group of UK brands and retailers who are committed to piloting and delivering [NGO] led training within our businesses, outsourced auditing and suppliers</i>” (Brand 1, Head of Ethical Trade, email communication, May 2016). • Many brands part of Trading Body 1 and are dedicated to making an industry wide change (Brand 1, Head of Ethical Trade Telephone meeting/ Diary notes, August 2016)
Non-competitiveness	<ul style="list-style-type: none"> • Competing brands collaborating. However, it did become evident that the MSA statement is competitive as brands are reporting on their training. Brands that have left the initiative have reported on training in their statements. (Diary notes, October 2016). • People speaking freely during Pilot Session de brief –we went around the room and everyone made suggestions (Pilot session de brief meeting with NGO and 5 brands, meeting notes, July 2016). • Training curriculum collectively developed amongst the brands and NGO (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016). • “[Training Attendees had] <i>different levels of experience – this gave a lot of richness to the discussion</i> [during the training session] “(Brand 1, CR Manager B, meeting notes, October 2016). • “<i>Others in my group gave their advice</i> [during the training session] (Brand 1, CR Manager B, meeting notes, October 2016).
Shared Responsibility	<ul style="list-style-type: none"> • “<i>Most of our CR issues are created by us as an industry - how on earth can a factory plan capacity</i>”. (Brand 1, Head of Ethical Trade, diary notes November 2016). • Brands aware that they are all responsible for industry issues (Multiple diary notes/ Brand 1, Head of Ethical Trade Telephone meeting e.g. Aug 2016) • Initial meeting with multiple brands to discuss shared response to modern slavery legislation. Acknowledgement that modern slavery is going on in all of their supply chains, and that they do not do enough about it (“Modern Slavery Act (MSA) (2015) – thinking about a joint industry response” forum with 22 brands and NGO, meeting notes, February 2016).
Trust	<ul style="list-style-type: none"> • Brands trust one another to share knowledge and expertise/ challenge each other’s ideas to shape curriculum. Brand 24 shared recent modern slavery issue and produced video to be used in training (Diary notes, Pilot audit training and de-brief meeting, July 2016). • “[Training Attendees had] <i>different levels of experience – this gave a lot of richness to the discussion</i> [during the training session] “(Brand 1, CR Manager B, meeting notes, October 2016).

	<ul style="list-style-type: none"> • <i>“Others in my group gave their advice [during the training session] (Brand 1, CR Manager B, meeting notes, October 2016).</i> • People speaking freely during Pilot Session de brief –we went around the room and everyone made suggestions (Pilot session de brief meeting with NGO and 5 brands, meeting notes, July 2016).
Commitment	<ul style="list-style-type: none"> • <i>“Following on from our conversation I had a scheduled conference call with [NGO] and the small group of UK brands and retailers who are committed to piloting and delivering [NGO] led training within our businesses, out sourced auditing and suppliers” (Brand 1, Head of Ethical Trade, email communication, May 2016).</i> • Brand 6 and Brand 23 are no longer involved in the initiative (Brand 1, Head of Ethical Trade, telephone meeting notes, August 2015). • <i>“We are trying hard and when you see one [MSA statement] like that from Brand 23, that’s rubbish it’s annoying” (Brand 1, CR Manager A, Discussion regarding a brand that had left the initiative but reported on it in their statement, diary notes, October 2016).</i> • <i>“NGO have advised it is looking like Brand 20 are joining- now piggy backing – they weren’t involved in the scoping but may join the roll out (Brand 20 were involved in original discussion in Feb 2016). (Brand 1, CR Manager A, telephone meeting, August 2016).</i> • It became apparent during the discussion that Brand 6, who had dropped out of the collaborative modern slavery training with NGO, had conducted their own training with an Ethical Trade Consultancy Firm. As far as Brand 1 were aware, this was the first time that they had heard this. (Discussion with Brand 1, CR Manager A, diary notes, October 2016).
Communication	<ul style="list-style-type: none"> • <i>“Just remembered, meeting on 25th is 1 representative each brand only, for speed and clarity” (Brand 1, Head of Ethical Trade, email communication, July 2016).</i> • People speaking freely during Pilot Session de brief –we went around the room and everyone made suggestions (Pilot session de brief meeting with NGO and 5 brands, meeting notes, July 2016). • Brands suggested one representative from each brand meets to help re-design the training. All brands to go through slides with comments and Brand 3 to coordinate (Pilot session de brief meeting with NGO and 5 brands, meeting notes, July 2016). • <i>“When it comes down to work maybe others [from the other brands] don’t have the resource or time and we ended up doing a lot of the work” (Discussion with Brand 1, CR Manager A, diary notes, October 2016).</i> • It became apparent during the discussion that Brand 6 who had dropped out of the collaborative modern slavery training with NGO had conducted their own training with an Ethical Trade Consultancy Firm. As far as Brand 1 were aware, this was the first time that they had heard this. (Discussion with Brand 1, CR Manager A, diary notes, October 2016).
Governance	
Third Party Involvement	<ul style="list-style-type: none"> • Collaborating brands are Trade Body members, known to one another and have previously worked together (Diary

	<p>notes, July 2016).</p> <ul style="list-style-type: none"> • NGO promised to come back to the brands with some proposals. Possibly to do some of the training as identified in the 'agreed next steps'. ("Modern Slavery Act (MSA) (2015) – thinking about a joint industry response" forum with 21 brands and NGO, meeting notes, February 2016). • <i>"To prevent duplication of work, costs and resources being unnecessarily wasted we suggested that we organise a meeting for brands to meet with [NGO] and see where we can share our knowledge and experience and importantly move forward together to meet the requirements outlined in the [Modern Slavery] Act"</i>. (Brand 24, CR Manager and 21 brands, email communication, January 2016). • Payment made to NGO- cost divided between brands (Brand 1, Head of Ethical Trade, Diary notes July 2016). • Training curriculum collectively developed amongst the brands and NGO (Diary notes, email communication and pilot session de-brief notes, multiple telephone meetings with Brand 1, Head of Ethical Trade, July/August 2016).
Top Management Support	<ul style="list-style-type: none"> • Cost of training to be divided between brands involved (Brand 1, Head of Ethical Trade, meeting notes, April 2016) • The training curriculum will be rolled out to different levels of the company including board level to ensure that they increase their modern slavery awareness and are aware of the level of training that will be taking place throughout the company (Brand 1, Head of Ethical Trade, meeting notes, April 2016) • Payment made to NGO- cost divided between brands (Brand 1, Head of Ethical Trade, Diary notes July 2016). • Brand 6 hosted pilot session in their office (diary notes, July 2016). • Brand 1 hosted first training session in Hong Kong (Brand 1, Head of Ethical Trade, telephone notes, August 2016). • <i>"Our Head of Sourcing was also present [during the training in Hong Kong] and this impressed the other attendees. It showed the training was being taken seriously"</i> (Brand 1, CR Manager B, meeting notes, October 2016).

Key: Brand x - During meetings with multiple brands, 'Chatham House rules' applied whereby participants discussed issues openly but their comments could not be attributed to them. Under these circumstances, quotes have not been recorded by brand or individual.

Table IV: Cross-Initiative Analysis – Summary of Relational Rents, Relational Capital, and Governance by Collaborative Initiative

Initiative	1 Trade Body Membership Meetings and Workshops	2 Purchasing Practices Project	3 Risk Matrix Project	4 Modern Slavery Training	5 Targeted Modern Slavery Audit
Contribution to Relational Rents					
Resource Sharing	X	X	X	X	X
Cost Reduction			X	X	X
Leverage	X	X			X
Risk Mitigation	X	X	X	X	X
Knowledge Sharing and Expertise	X	X	X	X	X
Supply Chain Transparency	X		X	X	X
Capability Building	X	X	X	X	X
Relational Capital					
Previous Collaboration	X	X	X	X	X
Mind-set	X	X	X	X	X
Non-competitiveness	X	X	X	X	X
Shared Responsibility	X	X	X	X	X
Confidentiality Concern	X				
Trust	X	X	X	X	X
Commitment	X	X	X	X	X
Communication	X	X	X	X	X
Governance					
Third Party Involvement	X	X	X	X	X
Top Management Support	X	X	X	X	X