

Doctoral Program in Management

THESIS DEFENCE PRESENTATION

Mr. Jose Carlos MARQUES, a doctoral student at McGill University in the Strategy & Organization area will be presenting his thesis defence entitled:

A STRATEGIC MANAGEMENT PERSPECTIVE ON TRANSNATIONAL PRIVATE REGULATION: THEORY AND EVIDENCE FROM THE GLOBAL APPAREL INDUSTRY

Friday, February 3, 2017

1:15 p.m.

Room 210 (Samuel Bronfman Building – 1001 Sherbrooke Street West)

All are cordially invited to attend the presentation

Student Committee Co-chairs: Professor Paola Perez-Aleman & Professor Henry Mintzberg

ABSTRACT: Global production chains have exacerbated social and environmental issues and eroded governments' regulatory capacity. Non-government organizations (NGOs) and corporations have responded by forming a variety of regulatory coalitions to create codes of conduct, standards, and certification schemes. The most common coalitional forms are multi-stakeholder initiatives (MSIs), comprising NGOs and corporations, and business-led initiatives (BLIs), composed exclusively of corporations. Despite the proliferation of such coalitions, we know little about their antecedents, interactions and organizational strategies. This thesis studies the strategic and organizational dimensions of transnational private regulation from a longitudinal, comparative perspective, explaining why and how it has evolved into a fragmented system characterized by a contentious movement-counter-movement dynamic. It provides answers to two questions: why do firms adopt different coalitional strategies in response to similar socio-political pressures, and what strategies do MSI and BLI coalitions employ? The research setting is the development of private regulation targeting sweatshops in the global apparel industry. The findings of this thesis challenge the prevailing view that reputational risk and legitimacy concerns explain the choice of coalitional partner and coalitions' strategies. Rather, they reveal how a firm's position in the network of global supply chains and its prior participation in collaborative initiatives leads to differences in firm exposure, perception and response to reputational risks arising from activist and government pressures. Moreover, firms are subjected to numerous other risks including operational and trade regulation risk which may be more salient to some firms. This thesis also reveals how firms' market strategies underpin the heterogeneous strategies employed by private regulatory coalitions and provides an explanation for the growing dominance of BLIs in the governance of global supply chains. Findings suggest that BLI strategies are focused on leveraging existing business associations as a means of facilitating large-scale collective action. Doing so allows them to develop credibility based on a framing strategy that emphasizes their ability to provide harmonized, large-scale solutions that deal with existing regulatory fragmentation, rather than trying to emulate MSI's cross-sectoral, transparent approaches. Contrary to much of the literature on firm-NGO collaboration and MSIs, I find that BLI strategies are predominantly directed at governments rather than civil society and that it is the regulatory fragmentation resulting from MSI strategies that provides the political opportunity for BLIs to develop their strategic approach. In sum, these findings uncover strategic drivers and organizing mechanisms unexplored in current research on firm responses to activist pressures. This thesis also contributes to practice and policy by providing greater clarity and guidance to firms, NGOs, and policy-makers concerned with the regulatory complexity increasingly characterizing global supply chains.