Influence of different stakeholders on first-tier suppliers' sustainable supplier selection: insights from a multiple case study in the automotive first-tier industry

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Abstract Public and academic attention towards sustainably managing companies and corresponding supply chains has been gaining significant momentum in recent years. While extensive literature is available on corporate sustainability and the original equipment manufacturers' (OEMs) downstream supply chains, there is little empirical knowledge concerning why first-tier (FT) suppliers in the upstream supply chain implement sustainability into their supplier selection (SS) processes. However, FT suppliers have a crucial role in ensuring sustainability in upstream supply chains, as they are a key transmitter and often accountable for their OEMs' sub-supplier portfolios. Grounded on a cross-case study approach of five FT suppliers, two associations and three non-governmental organizations (NGOs) as well as stakeholder theory, this paper investigates how different stakeholder groups are influencing the integration of sustainability aspects into FT suppliers' SS processes. Therefore, government, NGOs, OEMs and employees are investigated as stakeholder groups. Characteristics, such as FT suppliers' size, legal structure, material criticality, employees' distance to the supply chain function, company culture and industry culture, could be identified as factors that influence the urgency of stakeholders' sustainability claims and thus FT suppliers' perceived sustainability pressure. Moreover, with regard to the OEM stakeholder group, it was found that,

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depending on the urgency of OEMs' sustainability claims, FT suppliers align their sustainable SS processes to the actions and expectations of different stakeholder groups and thus fulfill the OEM's sustainability expectations to varying degrees. Thus, our study contributes empirical knowledge to this so far underrepresented research field and is moreover beneficial for decision makers.

Keywords Sustainable supplier selection · Supplier management · Stakeholder theory · First-tier supplier · Case study research

1 Introduction

Driven by various trends such as ever increasing outsourcing and stakeholder pressure on environmental and social standards, expectations with regard to sustainably managing companies and corresponding supply chains are gaining significant momentum in recent years (e.g., Carter and Easton 2011; Schneider et al. 2014; Foerstl et al. 2015). Accordingly, sustainable supplier management plays a decisive role in building sustainable supply chains and to achieve economic, environmental and social benefits (Luzzini et al. 2014; Zimmer et al. 2016). Thus, suppliers which carefully integrate environmental and social concerns may support their customers through increased efficiency, fewer operational disruptions, fewer reputational consequences, or through a robust image. This is especially crucial when considering the fact that focal companies are often made responsible for their suppliers' failures (Dai and Blackhurst 2012; Theißen and Spinler 2014; Zimmer et al. 2016). Krause et al. (2009, p. 18) conclude that "a company is no more sustainable than the suppliers that are selected [...] by the company". Thus, the tier suppliers and especially the first-tier (FT) suppliers in the upstream supply chain play a crucial role in enhancing and safeguarding a sustainable supply chain (Wilhelm et al. 2016a).

However, despite a multitude of literature on corporate sustainability (Schneider et al. 2014), little research is available when it comes to sustainability in the context of supplier selection (SS) at the FT supplier stage. Research on sustainable business practices has thus far mainly concentrated on the stages of original equipment manufacturers (OEMs) and their downstream chain members (Foerstl et al. 2015). However, the OEMs' FT suppliers are of central importance in guaranteeing sustainability within the upstream supply chain (Wilhelm et al. 2016a, b; Zimmer et al. 2016), especially as, in the automotive sector, a high proportion of value creation takes places on the supplier level, giving upstream processes a significant influence on a company's sustainability metrics. Moreover, supply chain management in the automotive industry is characterized by relatively long supply chains (Choi and Hong 2002) and thus by a complex supply chain setting. Thus, OEMs alone cannot assess all of their upstream suppliers' sustainability performance and consequently cannot ensure compliance with sustainability standards of their entire supply chains. Consequently, OEMs are dependent on their FT suppliers' mediating role (Wilhelm et al. 2016a), as sustainability in an OEM's upstream supply chain can only be achieved if sustainability expectations are transmitted upstream from

tier to tier through sustainable supplier selection (SuSS). However, as many severe sustainability violations are committed by lower-tier suppliers (Tachizawa and Wong 2014), it can be concluded that the passing on of sustainability expectations and monitoring compliance is not performed as required. As the focal company is made responsible for these sustainability violations in its upstream supply chain (Hartmann and Moeller 2014), it is of major importance to understand what influences the integration of sustainability aspects into FT suppliers' SS processes and thereby the transfer of sustainability expectations to the upstream supply chain. However, influencing factors which were identified for OEMs in previous research cannot be adopted one-to-one for FT suppliers, due to upstream suppliers' varying characteristics. They are usually smaller enterprises compared to their OEMs and are thus often unknown to the public (Lee et al. 2012), leading to less sustainability-related pressure from society. Thus, pressure, particularly from external stakeholders, may differ depending on an organization's position in the supply chain (Preuss 2005). Nevertheless, scarce research is available on what drives FT suppliers in pursuing sustainability in the selection of their upstream chain members (Paulraj 2011; Foerstl et al. 2015).

This paper addresses the aforementioned gap by contributing to research on SS through exploring how different stakeholder groups are influencing the integration of sustainability in FT suppliers' SS processes. Therefore, we aim to answer the following research question:

Research question How are different stakeholder groups influencing the integration of sustainability aspects into FT suppliers' SS processes?

Given the early stage of the object of interest, we have approached the research question with an exploratory research methodology in the form of a case study. Grounded on five in-depth cases of FT suppliers in the automotive industry and five cases of associations and non-governmental organizations (NGOs) operating in the automotive sector, we aim to empirically enrich knowledge on SuSS by taking the rationales of stakeholder theory into account. Therefore, we investigated the cases to provide additional knowledge on the theoretical reasoning as well as deriving several contributions to the research field of SuSS. Moreover, our observations are beneficial for managers and policy makers. First, they highlight the important role of the government in pushing the integration of sustainability aspects within SS. Second, the necessity of cultural changes, both within a company and within the industry, to implement sustainability within SS is emphasized. Third, evidence is provided on how OEMs have to express their sustainability expectations so that they are fully incorporated in FT supplier SuSS processes and thus transferred to the upstream supply chain.

For the remainder, this paper continues with the provision of an adequate background through a review of relevant literature, which is linked to the theoretical anchor of stakeholder theory. Next, we present our research methodology, which precedes the analysis and discussion of our main results. Thereof, testable propositions for future research were derived. Finally, the article concludes with a summary which highlights implications for researchers and managers.

2 Literature review

2.1 Stakeholder theory

Stakeholder theory was introduced by Freeman (1984) and has been widely studied ever since. A stakeholder, according to Freeman's (1984, p. 46) definition, is "any group or individual who can affect or is affected by the achievement of the organization's objectives". The basic idea behind stakeholder theory is that firms provide externalities that affect different parties. The externalities are the reason for pressures that stakeholders put on the focal firm to increase positive effects and to decrease negative ones (Sarkis et al. 2010).

The more *salient* a stakeholder appears, the higher an organization will prioritize the stakeholder's expectations (Agle et al. 1999). According to Mitchell et al. (1997), stakeholder *salience* is a function of the following three attributes: (1) *power* to influence the focal company; (2) *legitimacy* of the stakeholder's relationship to the focal company; (3) *urgency* of the stakeholder's expectations.

Stakeholder theory is frequently proposed by scholars for the examination of corporate sustainability issues, as it underlines the basic ideas of the sustainability concept (Ehrgott et al. 2011) and has been the most prevalent theory in research on sustainability in supply chain matters in general (Carter and Easton 2011; Montiel and Delgado-Ceballos 2014; Frynas and Yamahaki 2016). However, it is somewhat surprising that the employment of stakeholder theory in the context of SuSS is scarce, and hence, in an early phase (Wetzstein et al. 2016). Thornton et al. (2013) utilize stakeholder theory to examine whether SuSS pays off, Goebel et al. (2012) use stakeholder theory to investigate the trade-off between sustainability and cost prevalence in SS decisions and Griffis et al. (2014) assessed antecedents of SuSS. While research is available which identifies the most important stakeholders on sustainability (Ehrgott et al. 2011), specific literature about stakeholders' influence on the integration of sustainability in the SuSS process at the FT supplier stage is lacking.

2.2 Sustainable supplier selection

SS can be interpreted as a managerial decision "to select the best supplier(s) from a prequalified pool based on predefined objectives and decision criteria" (Wetzstein et al. 2016, p. 306). While traditional SS decisions were made based on financial measures (Thornton et al. 2013; Genovese et al. 2013), sustainable SS applies new selection criteria to identify and select those suppliers and their corresponding upstream supply chains who provide the best performance among the three dimensions of economic, environmental and social metrics (Zimmer et al. 2016). Suppliers' compliance with sustainability standards is gaining increasing attention as ethical responsibility of companies exceeds corporate boundaries (Goebel et al. 2012). Consequently, focal companies have to ensure that their suppliers act accordingly (Blowfield 2000; Koplin et al. 2007) as they are held responsible for any sustainability violation that occurs in their supply chain (Hartmann and Moeller

2014; Hofmann et al. 2014; Meixell and Luoma 2015). Consequently, SS as a key activity of supply management has emerged as one of the most important functions to safeguard companies from being accused of unsustainable behavior and accompanying reputational damage (Carter 2000; Handfield et al. 2002; Carter and Jennings 2004; Goebel et al. 2012).

As the consideration of sustainability criteria for the final SS is a challenging task, various mathematical models have been established to rank suppliers, taking various and often conflicting sustainability criteria into account (Genovese et al. 2013). Despite the growing amount of research regarding mathematical applications, theoretical-grounded empirical research is underrepresented (Igarashi et al. 2013). Consequently, there is still not enough empirical proof for the real-world applicability of such tools (Ghadimi et al. 2016), demonstrating a dichotomy between theory and praxis (Genovese et al. 2013). Thus, SS research is in danger of overstating mathematical aspects of SS (Igarashi et al. 2013) while neglecting managerial aspects, threatening the implementation of SuSS practices in the real-world context. This is due to the fact that the exploitation of tools and models is not sufficient to successfully integrate sustainability in the SS process. Igarashi et al. (2013) stress the importance of considering the wider supply chain context in which SuSS takes places, as the broader organizational and inter-organizational context has to be considered for effective integration of sustainability in SS.

Considering the organizational and inter-organizational context of an organization, companies must cope with substantial pressures from various stakeholder groups in performing their upstream supply management practices such as SS (Reuter et al. 2012; Busse et al. 2017). This is because stakeholders know about the gatekeeper role that SS takes on the buying firm side and therewith can be utilized to shape suppliers' attitude (Klassen and Vereecke 2012; Busse et al. 2017). Accordingly, stakeholder pressures create awareness for sustainable thinking, encouraging focal companies to implement sustainable supply chain practices (Meixell and Luoma 2015; Busse et al. 2017). SuSS can be seen as a response to these pressures (Thornton et al. 2013). Consequently, an organization has to understand and consider expectations of various stakeholder groups for designing and shaping their SuSS process (Genovese et al. 2014). In the context of sustainability, customers, employees and the government were identified as the most influential stakeholder groups (Carter and Dresner 2001; Klassen and Vachon 2003; Carter and Jennings 2004; Carter 2005; Zhu et al. 2005).

The more dependent a firm is on a stakeholder's resources, the higher the *power* this stakeholder possesses over a firm (Frooman 1999; Pfeffer and Salancik 1978; Ehrhardt et al. 2011). Customers as a stakeholder group possess a high *power* over a focal company, as they can freely choose from which firm they would like to purchase (Ehrhardt et al. 2011; Frooman 1999). Thus, a false purchasing decision can have major adverse consequences on a firm's competitiveness (Reuter et al. 2012). Consequently, customers' expectations are significantly influencing whether sustainability criteria are considered in an organization's SS process (Reuter et al. 2012; Ehrhardt et al. 2011). Therewith related is the influence of competitors on a company's SuSS. As a result of competition, firms may be affected by competing firms in terms of loss and gain of market share (Spence et al. 2001) as customers are

purchasing from the company which best fulfills its expectations. Moreover, according to Lechler et al. (2019) and Canzaniello et al. (2017), competitors collaborating within strategic alliances may also influence each other's processes with regard to sustainability. Thus, competitors' sustainability actions could also influence an organization's SuSS process. Employees, especially top managers, could be identified as another influential stakeholder group. According to Frooman (1999), the higher the value of an employee for the firm, the more influence it has on a company's business processes. Consequently, top management possesses a high influence on SuSS and is therefore regarded as the most important driver for managing sustainable supply (Giunipero et al. 2012). This is due to the fact that, when employees sense that sustainability is taken seriously by top management, they themselves apply more ethical behavior (Goebel et al. 2012), leading to an increased consideration of sustainable aspects in SS. Government as a further stakeholder group controls organizations' social conduct through laws and regulations (Ehr Gott et al. 2011). Governments provide a framework that can be regarded as a red line that companies and their stakeholders cannot cross (Dahan et al. 2015). Thus, the fulfillment of legal requirements is not negotiable and its compliance can be enforced through various mechanisms such as fines, termination of business, rewards or sanctions (Dahan et al. 2015; Niu et al. 2017). Thus, government takes a special role compared to the already introduced stakeholders. However, the findings on government's influence on sustainable business practices are mixed. Ehr Gott et al. (2011, p. 101) comment that "several authors provide valid evidence that regulation might strongly influence organizations' engagement in corporate sustainability activities". However, contrary discoveries were also made, especially regarding sustainable purchasing. Buysse and Verbeke (2003), for example, observed that governmental regulations only have positive effects on firms that reactively handle their sustainability strategy, while proactive companies manage changing expectations of various stakeholders other than government. Moreover, Carter and Jennings (2004) discovered that governmental regulations are not significant drivers of purchasing social responsibility. This is in line with Ehr Gott et al. (2011) who found no relationship between governmental pressure and sustainability standards in the SS process.

To survive and continue profitability, an organization has to ensure that it adequately reflects the interests of its stakeholder groups in its supplier management processes and decisions (Hillman and Keim 2001). However, pressure from external stakeholders may differ depending on an organization's position in the supply chain (Preuss 2005). Thus, the awareness of influencing factors of FT suppliers' SuSS processes is of major importance to transfer sustainability to the upstream supply chain. However, to the best of our knowledge, little knowledge exists on how different stakeholder groups are influencing the integration of sustainability aspects into FT suppliers' SS processes. Our work addresses this gap with the conduction of an empirical case study. In doing so, we provide new managerial insights to the research area of SuSS by considering the wider supply chain context.

3 Methodology

3.1 Research design

Based on the nature of the above proposed research question, a multiple case study design is applied to address the identified research gap. The case study methodology is appropriate for our research project for several reasons. First, case studies have already been applied for research endeavors concerning supplier management and corporate sustainability management, providing real-world insights (Reuter et al. 2010; Schneider et al. 2014; Foerstl et al. 2015). Particularly for SuSS, case studies are scarce according to Wetzstein et al. (2016). Taking this into account and under consideration of the exploratory stage of the integration of sustainability aspects into SS routines on FT supplier level, qualitative research seems to represent a suitable approach to derive insights for theory elaboration (Eisenhardt 1989; Ketokivi and Choi 2014). In this context, case study research enables the in-depth investigation of the complex SS routines in the contemporary and real-world context (Yin 2014). Through interaction with multiple informants and the integration of a multitude of primary and secondary sources of information, the case study design provides a systematic approach for dealing with such complex information settings (Voss et al. 2002; Yin 2014). Moreover, the case study methodology supports the mitigation of the social desirability bias with the application of meticulous triangulation routines which may be prevalent in research concerning corporate sustainability issues (Carter and Easton 2011; Schneider et al. 2014). Based on the recommendations of Gibbert et al. (2008) and Yin (2014), we introduced several measures to assure reliability and validity. An overview of the applied measures is presented in Table 1.

3.2 Sampling

To enable the generalization of the case study findings, we applied a theoretical sampling approach by predefining boundaries for the target population (Perry 1998; Yin 2014), as “random selection [of cases] is neither necessary, nor even preferable” (Eisenhardt 1989, p. 537). We populated our sampling framework with FT suppliers in the automotive industry. FT suppliers within the automotive sector have been selected as our unit of analysis since (1) approximately 75% of a car’s value creation takes place on a supplier level (OICA 2018), giving upstream processes a significant influence on company metrics, (2) stakeholder expectations and requirements concerning sustainability are increasingly articulated on a product and operations level, making sustainability as a whole a strategic issue in the automotive industry (Koplin et al. 2007; Orsato and Wells 2007; Lienland et al. 2013), and (3) supply chain management in the automotive industry is characterized by relatively long supply chains (Choi and Hong 2002) compared to those of other industries such as the textile, chemical or food industry. Consequently, OEMs can above all not manage the high number of upstream suppliers alone with regard to sustainability (Wilhelm et al. 2016b). Thus, automotive OEMs are dependent on

Table 1 Measures for reliability and validity taken during all research phases adapted from Gibbert et al. (2008) and Yin (2014)

Reliability/validity criteria	Measures
Construct validity	Questions were developed based on an extensive review of literature Primary and secondary data were gathered Multiple sources of information within each single case Interviewees reviewed the case study protocol
Internal validity	Grounded on stakeholder theory Recording factors that might lead to alternative explanations Within-case and cross-case analysis to identify patterns Adoption of a triangulation approach with multiple sources of data Discussion on separate coding results to eliminate investigator bias
External validity	Sampling within the automotive industry on a first-tier level Clear description of all case firms, their context and situation Analytical generalization based on patterns emerging in the data
Reliability	Development of a case study protocol containing primary and secondary data Shared questionnaire for all interviewers Utilization of case study database Involvement of a third author who was not involved in data collection Discussion on separate coding results to eliminate investigator bias Involvement of an additional research team member who did not accompany the data collection process

their FT suppliers' support to transmit their sustainability expectations upstream of the supply chain (Wilhelm et al. 2016a), which can be realized through SuSS routines. The OEMs' FT suppliers are then in turn again dependent on their FT suppliers to also transmit the sustainability requirements to their lower-tier suppliers. Consequently, FT suppliers of all supply chain players play a crucial role in transmitting sustainability expectations and thus in safeguarding a sustainable supply chain (Zimmer et al. 2016).

To further enable comparability, we focused our theoretical sampling approach on Europe's largest FT suppliers in terms of sales, as they are faced with similar sustainability-related requirements and tend to have more elaborate procedures and practices concerning sustainability (Wilson and Vlosky 1997; Lee and Klassen 2008). We further restricted the sample population by the premise that the supplier's core business should be in the automotive sector as these suppliers are highly dependent on business with OEMs from the automotive industry. Thus, we could ensure through our sample logic that our case companies did not vary in too many parameters, as we otherwise would have risked detected correlations between influencing factors and FT suppliers' SuSS routines not being ascribable to one concrete variable.

On the basis of our predefined sampling approach, we contacted the relevant FT suppliers (see Table 2). Moreover, we also interviewed associations and NGOs operating in the automotive industry to also directly gain insights from these stakeholder groups (see Table 3). Associations were chosen as unit of analysis for two reasons. First, they function as intermediaries between government and automotive companies (Bennett 1998; Sturgeon et al. 2009). Second, they contribute to the development of governmental standards (Perry 2009) and consequently influence the governmental pressure FT suppliers receive in the context of SuSS. As NGOs were identified as another influencing stakeholder group by Meixell and Luoma (2015), they were also considered within this study. NGOs also have the possibility to influence governmental regulations as well as society's sustainability awareness through public exposure of sustainability misconducts in supply chains (Ageron et al. 2012; Schneider and Wallenburg 2012). Both associations and NGOs have a holistic view on the automotive industry. Therefore, they provide not only insights on their own influence on FT suppliers' SuSS but also on cause–effect relationships involving further stakeholder groups. Regarding the selection of associations, we selected two associations that support the interests of Europe's most influential automotive companies including those of the five interviewed FT suppliers. NGOs were selected according to their major focus areas. To ensure a holistic sustainability perspective, we chose an NGO that mainly focuses on the human aspects of sustainability, one that sets its focus on the environmental perspective as well as one NGO that equally considers all sustainability dimensions. As per Strauss and Corbin (1990), we added further cases until saturation was reached, as any additional cases would only have marginally increased knowledge and insights. In total, five automotive FT suppliers, two associations and three NGOs participated in our study.

3.3 Data collection

The data collected from each single case considered multiple sources of evidence to ascertain construct validity (Gibbert et al. 2008; Yin 2014). In addition to semi-structured interviews, which served as the primary source of information, secondary data—such as corporate sustainability reports, press releases, supplier guidelines, supplier evaluation sheets, presentations and documents shared by informants as well as publications from NGOs—were also used to complement and triangulate primary data. The semi-structured interview guide was developed on the basis of an extensive screening of already published literature and by conducting a pilot test with three informants from a local FT supplier from the automotive sector. The pilot interviews provided valuable lessons regarding our research design. Thus, we were able to condense our initially very broad scope of inquiry to our final semi-structured interview guideline, which contained our core questions (see “Appendix”). During the 30 interviews, further marginal alterations were made. For each FT supplier case company, the procurement, corporate sustainability and human resources departments were approached, with the aim of considering a multitude of internal stakeholders that influence the shaping of sustainability-related SS processes. Additionally, at least one informant from the investigated associations

Table 2 Characteristics of the FT suppliers

	FT supplier A	FT supplier B	FT supplier C	FT supplier D	FT supplier E
Turnover (in bn€)	> 10	> 2.5	> 2.5	> 10	> 10
Structure of ownership	Private limited company (family owned)	Private limited company (family owned)	Private limited company (family owned)	Public limited company	Public limited company
FTEs in SSM	7–8	2	0.3	< 1	0.5
# Informants	5	4	4	5	4
# Interviews	6	3	5	5	5

FTE full-time equivalent

Table 3 Characteristics of the NGOs and associations

	NGO A	NGO B	NGO C	Association A	Association B
Role of automotive industry	Automotive industry as one of several focus industries	Automotive industry as one of several focus industries	Automotive industry as one of several focus industries	Automotive industry as exclusive industry	Automotive industry as the most important industry of several focus industries
Main focus areas	Assurance of food security for poor and rural populations and compliance with human rights	Energy transition and fair global business relations	Economic, social and ecological justice worldwide	Representation of automotive industry interests (sustainable supply chain management one of the major topics)	Representation of industry interests (sustainable supply chain management one of the major topics)
# Involved companies	N/A	N/A	N/A	> 600	> 100,000
# Informants	1	1	1	2	1
# Interviews	1	1	1	2	1

and NGOs was interviewed. This approach ensured that we obtained primary information from different sources that experience the research topic from diverse positions which further enriches the data collection phase and ensures validity (Eisenhardt and Graebner 2007; Gibbert et al. 2008). Overall, we approached 28 informants in a total of 30 interviews. The interviews were conducted in the period between March 2016 and February 2019. Moreover, a case study database was introduced and maintained throughout the entire research project to ensure high reliability (Gibbert et al. 2008; Yin 2014).

3.4 Data analysis

Based on the primary and secondary data gathered, a systematic coding procedure was applied for data analysis (Strauss and Corbin 1990; Yin 2014). The unstructured qualitative data, in the form of quotes and supplementary secondary data, were consolidated and classified into descriptive subcategories. To further mitigate the inherent investigator bias, this approach was performed independently by two members of the research team. Subsequently, the individual coding results were discussed within the research team and divergences were readjusted until inter-rater concordance was achieved. Based on the previous steps, the single codes were transferred into a tabular format to identify similarities and differing characteristics among the participating companies (Eisenhardt 1989; Eisenhardt and Graebner 2007). These results were again discussed in the research team to mitigate the investigator bias.

4 Analysis and discussion

In this section, the influence of different stakeholder groups on SuSS is analyzed and discussed. Therefore, following Schneider and Wallenburg (2012), the stakeholders are clustered into the following categories: supply chain–external stakeholders, supply chain–internal stakeholders and company–internal stakeholders. In this context, the influence of the government, NGOs, customers and employees is investigated in detail. The claims of the regarded stakeholders can all be regarded as *legitimate*, as they are socially accepted and are referring to expected behavior (Mitchell et al. 1997). Thus, we do not discuss this characteristic in detail in what follows. An overview of the investigated stakeholders that are influencing the implementation of sustainability criteria into FT suppliers' SuSS process is presented in Table 4.

4.1 Supply chain–external stakeholders: government and NGOs

4.1.1 Government

Government as a stakeholder group controls organizations' social conduct through laws and regulations (Ehr Gott et al. 2011). Governments provide a framework that can be regarded as a red line that companies and their stakeholders cannot cross

Table 4 Stakeholder groups influencing the integration of sustainability aspects into FT suppliers' SS processes

	FT supplier A	FT supplier B	FT supplier C	FT supplier D	FT supplier E
Perceived pressure from government stakeholder group to implement sustainability criteria in SS processes	Low pressure	Low pressure	Low pressure	High pressure	High pressure
Perceived pressure from NGO stakeholder group to implement sustainability criteria in SS processes	High pressure	Low pressure	Low pressure	High pressure	Low pressure
Perceived pressure from employee stakeholder group to implement sustainability criteria in SS processes	Low pressure	Low pressure	Low pressure	Low pressure	Low pressure
OEM influence on the determination and integration of sustainability criteria in the SuSS process	High pressure	High pressure	High pressure	Low pressure	Low pressure
Perceived pressure from OEM stakeholder group to implement sustainability criteria in SS processes	No competitive advantage (hygiene factor to receive orders)	No competitive advantage (hygiene factor to receive orders)	No competitive advantage (hygiene factor to receive orders)	Competitive advantage (maintain market access and generate more sales)	No competitive advantage (not yet important)
OEMs' sustainability claims salience	High power	High power	High power	High power	High power
	High legitimacy	High legitimacy	High legitimacy	High legitimacy	High legitimacy
	High urgency	High urgency	High urgency	Medium urgency	Low urgency
Formulation of sustainability criteria for the SS process based on the sustainability claims of the following stakeholder group	OEM	OEM	OEM	Competitors	Government

(Dahan et al. 2015). Consequently, the *power* of the government over FT suppliers can be regarded as high. However, our case study observations revealed that the *urgency*, which can be defined “as the degree to which stakeholder claims call for immediate attention” (Mitchell et al. 1997, p. 867) vary based on FT suppliers’ characteristics. This becomes obvious with regard to the so-called CSR directive, adopted by the European Parliament and the member states of the EU Union, which became effective in 2017. According to this directive, large capital market-oriented companies with more than 500 employees are obliged to extend their annual management reports to include non-financial aspects such as human rights, environmental aspects or measures against corruption. Due to *FT Supplier D*’s and *FT Supplier E*’s characteristics, they are both directly affected by this new regulation and consequently both mention a direct effect of the government on SuSS. For *FT Supplier D*, however, legislation is only one factor, alongside intrinsic motivation and customer requirements, which drives SuSS. In a similar way, the CSR directive initiated the consideration of sustainability aspects within the SS process for *FT Supplier E*. However, the interviewed informants of *FT Supplier E* also indicated that legislation is not the pivotal reason for the implementation of SuSS.

The differing *urgency* of the governmental claims in the interviewed privately owned companies is illustrated with the following exemplary statement proposed by *FT Supplier C*’s Head of Corporate Sustainability:

As a public company, you have to communicate much more openly. As of 2017, there is a regulation that obligates public companies to report on non-financials. However, as it does not affect our company, we are not directly recognized.

Consequently, the *urgency* of the government’s claims in privately owned companies can be regarded as rather low. However, even though privately owned companies are not directly affected by the CSR directive, their OEMs are, which transfer regulatory changes to their FT suppliers. Therefore, private companies are nevertheless at least indirectly affected by governmental regulations as reported by *FT Supplier A* and *FT Supplier C*. Thus, we propose:

PIa. The urgency of sustainability claims directly raised by the government depends on FT suppliers’ size and legal structure.

PIb. Due to the urgency of government’s claims towards OEMs, FT suppliers’ SuSS is at least indirectly influenced by the government.

Besides the mentioned CSR directive, the currently prevailing voluntary nature of other directives and the therefore often lacking legal obligations regarding sustainability in global supply chains were stated by *NGO A* as another reason for the rather weak influence of the government on SuSS. This is due to the fact that, in the case of voluntary regulations, the *urgency* of the governmental claims can be regarded as low as they do not call for immediate attention (Mitchell et al. 1997).

However, both *power* and *legitimacy* of sustainability claims raised by the government can always be expected to be high due to its legal authority. Due to this, the fear that sustainability claims also become *urgent* and thus *salient* through the

determination of a mandatory compliance obligation could be identified. This can be seen, for example, in the fact that the presumed introduction of stricter legal regulations besides other triggers pushed the owner of *FT Supplier C* to implement an internal sustainability report. The fear of new legal regulations was also mentioned by *NGO A* and *NGO B* as an important trigger for FT suppliers to perform voluntary sustainability measures within their supply chains. In this context, the Raw Material Expert of *NGO B* stated:

Partially, [...] there is currently also voluntary work conducted in supply chains, in the hope of not being subject of legal regulations in the future. Meaning that [automotive companies] are now doing something and thereby hoping that a law will not be enforced.

For the communication between politics and FT suppliers, associations could be identified as very important. In this context, the Sustainability Expert of *Association B* stated:

[...] we are often able to absorb trends and sentiments from politics which our members are not able to perceive [...] and it is our job to keep everyone informed about the latest political ideas, concepts and regulations.

Based on the depicted observations and under consideration of the rationales of stakeholder theory, the following proposition is proposed:

Plc. The fear that government's claims could become urgent in the future through the determination of a mandatory compliance obligation pushes FT suppliers to perform voluntary work exceeding the currently existing legal obligations regarding SuSS.

4.1.2 Non-governmental organizations

In general, the work of NGOs comprises research and communication. NGOs perform research on automotive supply chains' impact on the environment and society. The research results are then published to create public awareness of sustainability misconducts. Through the creation of public awareness and the potential threat of reputational damage for FT suppliers that might be associated therewith, NGOs are succeeding in increasing the power of their sustainability claims. The high influence NGOs might have on FT suppliers is also expressed by a Corporate Sustainability Manager of *FT Supplier C*:

I suppose that if an NGO has its sight set on a company, it can certainly create a lot of pressure.

This *power* is utilized to influence companies' SuSS processes. However, with regard to the interviews conducted with the five case companies and three NGOs, it can be concluded that not all companies are influenced to the same extent by the activities of NGOs. In particular, companies dealing with raw materials that are extracted under socially and environmentally poor conditions (which are denoted as sustainability-related critical raw materials in what follows), such as company *FT*

Supplier A and *FT Supplier D*, are in the focus of NGOs and thus their SuSS process is influenced. The concentration on companies that deal with raw materials extracted under precarious sustainability conditions is also confirmed by the interviewed NGOs themselves. As a result of the activities of NGOs, a critical reflection of the origin of these materials by automotive companies could be achieved, as stated by the Human Rights Expert of *NGO A*:

I would say that owing to the constant pressure and commitment of various NGOs, [...] the issue of raw material extraction is now central and is already into consideration by automotive companies.

Based on these observations and by considering stakeholder theory, it can be concluded that, even though NGOs have a high level of *power*, due to their potential impact on a company's reputation, the *urgency* of their claims strongly depends on the sustainability-related criticality of the materials FT suppliers are dealing with. Thus, we propose:

P2a. The urgency of claims directly raised by NGOs correlates with the sustainability-related criticality of the materials FT suppliers are dealing with.

Besides the direct pressure NGOs exert on FT suppliers, their goal is also the enforcement of stricter legal regulations, which they aim to achieve through communication activities with governmental representatives. Thereof, it can be concluded that NGOs want to increase the *power* of their claims through the enforcement of their claims by even more powerful stakeholders. Thus, NGOs are also indirectly influencing FT suppliers' SuSS process through the enforcement of new legal regulations. Based on our findings, the following proposition is raised:

P2b. NGOs increase the power of their sustainability claims by enforcing their claims through government and thus at least indirectly influence FT suppliers' SuSS.

4.2 Supply chain–internal stakeholders: customers

Customers' sustainability expectations are additional requirements which extend the regular legislative requirements and are often in conflict with other claims of the customer, especially with financial ones. Thus, suppliers have to prioritize the degree to which they can fulfill their customers' expressed sustainability claims while still fulfilling the financial ones.

The *power* OEMs possess over the regarded FT supplier is almost equal for all considered cases, as we intentionally chose suppliers that are equally dependent on their OEMs, which is why we selected large FT suppliers which mainly operate in the automotive industry as our units of analysis. Thus, the *power* of all case companies' OEMs was identified as high due to their high purchasing power (Green et al. 1996; Mitchell et al. 1997; Frooman 1999). However, the attribute *urgency* was found to vary between the case companies. As a consequence, focal companies transfer different stakeholders' sustainability claims into sustainability criteria and thus fulfill the OEM's sustainability expectations to varying degrees.

FT Supplier A's, *FT Supplier B's* and *FT Supplier C's* perceived pressure from their OEMs was classified as high. First, they observe an increase in the significance of sustainability aspects in their OEMs' own SS processes. Second, they take their OEM's sustainability expectations seriously and prioritize their fulfillment to not jeopardize their business relationships. In this context, *FT Supplier A's* Head of Corporate Sustainability mentioned:

Our customers are increasingly striving for sustainability in their supply chains. However, the requirements vary from customer to customer. Nevertheless, we notice that the importance of sustainability is steadily increasing.

Moreover, he emphasized the importance of fulfilling the OEMs requirements to receive orders in the future:

We do not get more orders or higher prices when fulfilling our customers' sustainability requirements. However, our OEMs expect that a company like ours is tackling these things, which is consequently considered as a hygiene factor from our customers' point of view. Those companies which do not fulfill customers' expectations may drop out, but those fulfilling it do not receive a bonus.

This statement was also confirmed by *FT Supplier B* and *FT Supplier C*. Those companies do not recognize sustainability in SS as a competitive advantage but as a requirement to maintain business relationships with their OEMs as well. Thus, *FT Supplier B* also mentioned that they have to integrate sustainability aspects into their SS routines to fulfill their OEMs expectations and to honestly answer their perceived customers' questionnaires, as *FT Supplier B's* Purchasing Director stated:

In order to be able to honestly answer our OEMs sustainability questionnaires, we also have to be active in this regard.

Just like the perceived pressure of *FT Supplier A*, the perceived pressure of *FT Supplier C's* OEMs varies strongly from OEM to OEM. Nevertheless, they have one very demanding customer, which is taking sustainability in its supply chain very seriously, as *FT Supplier C's* Head of Corporate Sustainability mentioned:

We receive sustainability expectations from all OEMs, except of OEM Omega. Omega gave us the notice that it demands that all its first-tier suppliers meet all points of Omega's sustainability requirements otherwise they are not considered for further assignments and existing contracts will be terminated. Consequently, Omega's requirements cannot be considered as expectations but as hard demands, which have to be fulfilled.

Although the claims of one of *FT Supplier C's* OEMs are significantly higher than those of their other customers, they noticed an increase in sustainability-related expectations from other OEMs as well.

OEMs' requirements are either communicated directly by the respective stakeholders or need to be identified by the companies through an open stakeholder dialog, as *FT Supplier A* and *FT Supplier C* stated. In this context, the expectations of their OEMs play a significant role for *FT Supplier A*, *FT Supplier B* and *FT*

Supplier C when it comes to determining the environmental and social criteria for their SuSS process. The OEMs' expectations are additional requirements, which extend the regular legislative requirements and need to be taken into account as they directly affect the business relations with their customers. This imperative is further aggravated as the expectations differ from OEM to OEM and vary over time, making the identification of requirements a recurring process, as *FT Supplier A's* Purchasing Manager mentioned:

This is a process. Currently, our values correspond to the expectations of our customers. But we need to regularly check whether the customer expectations change [...].

In this context, the articulated or identified expectations of their OEMs play a decisive role in the development and adaptation of internal processes and tools, as *FT Supplier B's* Purchasing Director stated:

Based on the customer's pressure we try to take emerging aspects and requirements into consideration and consolidate the different influences to make the processes more professional.

Considering our case study observations and the rationales of stakeholder theory, the *urgency* of *FT Supplier A's*, *FT Supplier B's* and *FT Supplier C's* OEMs' sustainability claims could be classified as high due to the high perceived pressure from their OEMs. Consequently, as confirmed by our case study observations, our case companies identify their customers' sustainability requirements and integrate them as specific sustainability criteria into their own SuSS processes by passing them on to their own suppliers. Thus, it can be concluded that FT suppliers whose customers' sustainability claims are high regarding *urgency* are fulfilling their stakeholders' expectations to a high degree. With regard to our case study observations, we propose the following proposition:

P3a. FT suppliers perceiving a high urgency regarding their OEMs' sustainability claims define their SuSS process by the requirements of their customer stakeholder group.

In contrast, the *urgency* of *FT Supplier D's* and *FT Supplier E's* OEM sustainability claims could be assessed as lower compared to *FT Supplier A*, *FT Supplier B* and *FT Supplier C*, which is also the reason for a lower maturity level of their SuSS processes, as *FT Supplier D's* Head of Corporate Sustainability explained:

The reason why we don't have it more is because the customer at this time isn't expecting so much.

FT Supplier E also senses a low *urgency* regarding its OEMs' sustainability claims as *FT Supplier E* perceives expectations from its customers but does not experience that it has to proactively take action to fulfill them as its OEMs do not keep track of their compliance, as the Head of a Sustainability Division of *FT Supplier E* stated:

Some OEMs said that we should also pass on their sustainability policy to our suppliers. But it is not really tracked. [...] So basically, we perceive requirements from our customers, but we do not need to really be active in this regard right now.

Although the *urgency* of *FT Supplier D*'s and *FT Supplier E*'s OEMs sustainability claims is lower compared to the other case companies, they also sensed an increasing importance of sustainability aspects for their customers.

In comparison to *FT Supplier E*, *FT Supplier D* recognizes sustainability in its supply chain as a competitive advantage. *FT Supplier D*'s informants stated that, by being a leader in sustainability, it maintains market access and generates more sales. Thus, *FT Supplier D* ensures that none of their competitors is getting a competitive advantage over the company, as *FT Supplier D*'s Head of Corporate Sustainability explained:

We track our competitors' activities very closely [...] as we want to stay among the leaders of our industry. So when we see someone doing something that we are not, we look at it and we try to understand why they are doing it. We evaluate whether it is important to us and we think about our customers' expectations. So our competitors, especially our strongest competitors' activities, are a key indicator to us, especially in supplier sustainability.

Consequently, their strongest competitors' activities are shaping *FT Supplier D*'s own SuSS process. In addition to remaining a leader regarding sustainability, another reason why *FT Supplier D* tracks their competitors so closely is that the company wants to ensure that it does not advance too far ahead of their competitors as extra costs incur for sustainability activities for which their customers are not willing to pay extra, as *FT Supplier D*'s Head of Corporate Sustainability mentioned:

The difficulty happens with consumers. The people who buy our products are not so interested in buying goods that just have a more sustainable supply chain. We think there can be some risks as extra costs occur because of the sustainability efforts you have and you do not get those dollars back from your customers or consumers. You can be putting yourself at risk if you get too far out in front of your competitors. That is why we track them so carefully.

Considering our observations and the rationales of stakeholder theory, *FT Supplier D* perceives a low pressure regarding the implementation of sustainability in the SS process from their customers, which is why the *urgency* of its customers' sustainability claims is rated low. Nevertheless, it senses that their customers will favor the more sustainable supplier over the unsustainable supplier, as long as traditional SS criteria, especially the financial metrics, are fulfilled. The fact that *FT Supplier D* itself considers sustainability a competitive advantage leads to the conclusion that sustainability is critical for their OEMs even though *FT Supplier D*'s perceived pressure was sensed as low. Thus, we classified the *urgency* of its OEMs' sustainability claims as medium. However, those stakeholder's sustainability claims are in conflict with its financial claims as the fulfillment of sustainability

expectations often results in additional costs. Thus, *FT Supplier D* would risk not fulfilling its OEMs' financial requirements when fully attending its customers' sustainability requirements. To find a good compromise between these conflicting claims, *FT Supplier D* aligns its SuSS process to those of its strongest competitors, which can also be regarded as a stakeholder group as they may affect an organization in terms of loss or gain of market share as a result of competition (Spence et al. 2001). Thus, *FT Supplier D* can ensure it remains a leader in sustainability while achieving good financial metrics in direct comparison to its competitors. Thus, companies whose stakeholders' sustainability claims can be regarded as medium regarding *urgency* are fulfilling their stakeholders' expectations to a medium degree. Nevertheless, it seems reasonable that companies which are facing low pressure from their customer stakeholder group regarding sustainability and which deem the consideration of sustainability aspects in their SS processes a competitive advantage align their own SuSS process to their strongest competitors to stay competitive. This is why we postulate:

P3b. FT suppliers perceiving a moderate urgency regarding their OEMs' sustainability claims align their SuSS process to the activities of the competitor stakeholder group.

In contrast to *FT Supplier D*, *FT Supplier E*, which also faces low pressure from its customers, does not consider sustainability in its supply chain a competitive advantage. Consequently, *FT Supplier E* tries to fulfill the minimum requirements, but does not proactively take action to integrate sustainability aspects in its SS process. However, it is assumed that the more attention sustainability in the supply chain gets, the more effectively the integration of sustainability aspects in SS routines will be implemented, as *FT Supplier E's* Head of Corporate Social Responsibility Supplier Management stated:

I assume that the more the sustainability topic is imposed in the industry, the more effective we will be meeting our customers' expectations.

However, since perceived sustainability requirements from *FT Supplier E's* OEMs are still low at the present time and sustainability is not yet considered a competitive advantage, OEMs' sustainability claims have a low *urgency* for *FT Supplier E*. Therefore, their customers' claims regarding sustainability matter to *FT Supplier E* but are not highly prioritized as their fulfillment does not lead to a competitive advantage. Consequently, *FT Supplier E's* SuSS process is mainly aligned to the UN Global Compact, as *FT Supplier E's* Head of Corporate Social Responsibility Supplier Management mentioned:

Sustainability aspects in our supplier selection process are rudimentarily considered through our Code of Conduct. [...] The Code of Conduct consists of the ten essential points of the UN Global Compact.

However, the ten principles of the UN Global Compact are minimal requirements based on documents that have already been accepted by a large part of the international community and incorporated into national jurisdiction (United Nations Global Compact 2018). Thus, from a stakeholder theory perspective, we equate the

UN Global Compact with national law, with compliance demanded by the government as a stakeholder group. Consequently, our case study observations reveal that, when sustainability-related pressure from the customer stakeholder group is low and sustainability is not considered a competitive advantage, SuSS processes are neither aligned to customers' sustainability expectations nor to competitors' sustainability activities but to the requirements of the governmental stakeholder group. Consequently, it can be concluded that FT suppliers whose customers' sustainability claims can be regarded as having low *urgency* are fulfilling this stakeholder group's expectations to a low degree. Based on our findings, we pose the following proposition:

P3c. FT suppliers perceiving a low urgency regarding their OEMs' sustainability claims align their SuSS process to the requirements of governmental bodies.

4.3 Company-internal stakeholders: employees

The *power* of sustainability claims of this stakeholder group could be identified as being strongly dependent on the job level of employees. Thus, top management could, in line with existing literature (e.g., Giunipero et al. 2012), be identified as very influential regarding SuSS.

In general, the case study results demonstrate that sustainability plays an increasing role for employees, although it is subordinate to other issues such as payment and working hours. However, the analysis also indicates that sustainability regarding the supply chain and especially with regard to SS is a minor issue for many employee groups. Accordingly, the employees' focus on sustainability in many cases does not yet exceed the company's boundaries as confirmed by *FT Supplier A*, *FT Supplier C* and *FT Supplier D*. It could be revealed that employees are more focused on the sustainability of products than on sustainability issues within supply chains. Nevertheless, a survey carried out by *FT Supplier E* revealed deviating results, as it confirmed an interest of the interviewed employees with regard to sustainability within supply chains. However, as the employees were asked directly about the importance of this issue and as a negative answer would be contradictory to socially accepted behavior, the non-existence of a desirability bias cannot be guaranteed. Thus, this deviation is not further regarded.

Employees, who are not professionally involved in the performance of supply chain management tasks, do not have sufficient information and knowledge about sustainability misconducts. Thus, according to the informants of *FT Supplier A* and *FT Supplier E*, sustainability in supply chains plays a subordinate role for those employees in particular. In line with this, the interviews with informants of company *FT Supplier C* and *FT Supplier D* further confirm that the topic is relevant for employees who are directly engaged with SuSS or who perform a related job such as within the sustainability or procurement department. In this context, an informant of *FT Supplier E* also confirmed that employees directly involved in supply chain matters possess the highest impact on SuSS. Based on these observations, the following proposition is stated:

P4a. The urgency of employees' claims regarding SuSS increases with decreasing distance to the supply chain function.

Due to top management's high *power*, top management was identified as a key driver for the integration of sustainability aspects within SS by all investigated FT suppliers in case of a sustainability supporting company culture. However, when a sustainable culture is not prevalent, top management is also considered as powerful to implement cultural changes and thus influence SuSS. However, due to the lacking sustainable culture, sustainability often only represents a subordinate SS criteria, as the Head of Corporate Sustainability of *FT Supplier E* stated:

[...] for economic reasons, the price is often the main selection criteria. Then quality aspects are considered and subsequently eventually sustainability issues.

Thus, even if procurement employees might be interested in sustainability issues due to their proximity and knowledge of social and environmental misconducts within supply chains, a target conflict might occur as the corporate culture incentivizes the achievement of cost savings, which are often in conflict with sustainability issues. Consequently, the target conflict weakens the *urgency* of procurement managers' sustainability claims. Accordingly, a negative impact of this kind of employee stakeholder group on SuSS was mentioned by company *FT Supplier B*, *FT Supplier C*, *FT Supplier D* and *FT Supplier E*. Thereof, it can be concluded that a change of company culture towards sustainability is necessary to increase procurement managers' *urgency* of sustainability claims with regard to SuSS.

P4b. A financial-driven company culture negatively influences the urgency of procurement managers' sustainability claims.

However, not only the company culture but also the industry culture was mentioned as a reason for a relatively low implementation of sustainability in SS. In particular, the extremely price-driven character of the automotive industry, which was mentioned by informants of all five interviewed FT suppliers, leads to a lack of trust between supply chain partners. In this context, a Sustainability Manager of *FT Supplier C* stated:

In Europe, the culture in the automotive industry is definitely a reason that people do not trust each other, do not reveal anything and do not really want to talk to each other.

Consequently, suppliers often refuse to share sustainability-related information, as they fear their customers utilizing the information to further reduce prices. However, trust is considered essential to push sustainability within the supply chain and to share sustainability-related information to improve social and environmental supply chain issues. Therefore, the industry culture can be regarded as another factor that negatively influences the urgency of procurement managers' sustainability claims. Thus, we propose:

P4c. The culture within the automotive industry negatively influences the urgency of procurement managers' sustainability claims.

Within a pilot project aiming to ensure sustainability along an end-to-end supply chain, *FT Supplier C* observed both mentioned hindering factors, namely company and industry culture. In this context, the goal conflict of purchasing managers also became obvious. Nevertheless, they managed to overcome these obstacles and achieved end-to-end transparency regarding sustainability issues of all supply chain partners. Therefore, in the first step, they eliminated their purchasing function and the sales function of their suppliers from any discussions that took place with regard to the pilot project. Instead, the sustainability managers of the supply chain partners, which are free of internal target conflicts as they are not judged by financial indicators, have entered into dialogue with each other to build trust. As soon as trust was established and an agreement was approved that stated that shared information would not be used for the disadvantage of any of the parties involved, employees from purchasing and sales departments were reintegrated into the project. This exemplary pilot project once again demonstrates how a profit-oriented company and industry culture exacerbates SuSS and further outlines how these obstacles can be overcome.

5 Conclusion, implications and further research

By conducting a multiple case study approach including different stakeholder groups from five leading FT suppliers within the automotive industry, three NGOs and two associations, this paper aimed to investigate the influence of different stakeholders on SuSS whilst taking into account the rationales of stakeholder theory. Therefore, we gathered primary and secondary data to gain necessary insights. Taking into account the fact that such real-world phenomena are still little investigated, yet highly relevant in managerial practice, our research contributes valuable insights for scholars as well as for practitioners.

The theoretical contribution of this study is threefold. First, we investigate the research stream of SuSS and contribute empirical knowledge that has been thus far scarce (Wetzstein et al. 2016). By doing so, we follow the calls of Carter and Rogers (2008), Luzzini et al. (2014) and Reuter et al. (2010) for more knowledge generation to investigate sustainability integration specifically in the context of the business practice of SS in its daily operations. Second, we elaborate stakeholder theory and thus were able to examine the influence of the stakeholder groups government, NGOs, customers and employees on FT suppliers' SuSS processes. Third, we propose a pool of testable propositions.

In this context, we identified factors that influence the *urgency* of the sustainability claims raised by the government, NGOs and employees. We further elaborated whether a stakeholder directly or indirectly influences FT suppliers' SuSS processes themselves. The urgency of the government's sustainability claims was found to be dependent on FT suppliers' size and legal structure. Consequently, government's claims directly influence FT suppliers with more than 500 employees

that are capital market oriented. FT suppliers with varying characteristics are at least indirectly influenced due to the urgency of government's claims towards OEMs. The urgency of claims raised by NGOs correlates with the sustainability-related material criticality of FT suppliers' goods. However, FT suppliers dealing with non-critical materials from a sustainability perspective are nevertheless indirectly influenced by this stakeholder group as NGOs are aiming at enforcing their sustainability claims through the government. Regarding the employees, the employees' distance to the supply chain function as well as the company and industry culture could be verified as influential for the urgency of this stakeholder group's sustainability claims. In addition, we demonstrated that the perceived *urgency* of customers' sustainability expectations influences the degree to which customer's sustainability expectations are transferred into specific sustainability criteria and thus integrated in FT suppliers' own SuSS processes. This is due to the fact that FT suppliers only satisfy the OEM's sustainability claims to a high degree in the case of high perceived sustainability-related pressure, as they are transferring the OEMs' stated expectations into applicable sustainability criteria. If the perceived pressure from OEMs is low, FT suppliers SuSS processes are aligned either to their competitor or governmental stakeholder group and thus fulfill the OEMs' expectations insufficiently.

From a managerial lens, the buying OEMs gain insights into how stakeholder sustainability pressures affect the SS process of their FT suppliers, who take a key role in transmitting sustainability further upstream along the supply chain. In this context, OEMs' sustainability claims have to be *salient*, meaning powerful, legitimate and urgent, to be fully integrated in their FT suppliers' SuSS processes in the form of sustainability criteria. Thus, OEMs should clearly express their sustainability claims and monitor compliance at FT level so that FT suppliers recognize the *urgency* of their claims. Moreover, the study highlights the important role of the government in pushing the integration of sustainability aspects within SS and thus can function as a further driver for the introduction of obligatory legal sustainability regulations on a broad basis. Additionally, the necessity of cultural changes, both within a company and within the industry, to implement sustainability within SS is highlighted.

Even though the perspectives of NGOs and associations were considered in addition to those of the interviewed FT suppliers, the study focusses on different stakeholders' influences on the SuSS processes of European's largest FT suppliers in terms of sales with core business in the automotive sector to ensure an equal level of power (as one of the three salience attributes). Therefore, the findings of our research might not be directly transferable to suppliers with different power distributions (e.g., smaller suppliers or suppliers with core business in other industries such as electronic producers) and suppliers operating further upstream in the supply chain. To ensure that sustainability expectations are broadly passed on to the upstream supply chains, further research is needed. Thus, we encourage researchers to gather primary data on suppliers with deviating power distributions and on suppliers further upstream along the supply chain to uncover additional insights into the rationales of SuSS. Our study was mainly limited to the automotive industry, which is typically characterized by short product lifecycles, globalized

competition, differentiation or capital intensity (Francas et al. 2009). Consequently, our findings might not be transferable to industries with varying characteristics. Thus, further research should investigate SuSS practices among various industries to provide results for broader generalizability and to investigate whether our propositions remain true in industries with varying competitive or regulatory settings where we follow Foerstl et al. (2015) and Reuter et al. (2010).

In summary, this paper offers one of the first explorative attempts at investigating how different stakeholder groups are influencing the FT suppliers' SuSS processes. Thus, we hope to enrich the research stream through the provision of several testable propositions in future research projects. Finally, we are convinced that this paper may encourage academics to conduct further research on this highly relevant research strand and inspire managers to configure sustainability into their SS processes.

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Appendix

Semi-structured interview guideline

General questions

1. To whom does your Chief Procurement Officer report?
2. How many suppliers does your company manage?
3. How many new suppliers enter your supplier base per year?
4. How many employees (FTE—full-time equivalent) are currently dedicated to Sustainable Supplier Management?
5. Since when does your company actively integrate sustainability into supplier selection?

Process and tools

6. How does your supplier selection process look like? Please provide a step-by-step description of your supplier selection process.
7. In which steps are sustainability aspects incorporated and to what extent?
8. Please name and describe all tools used to evaluate suppliers' capabilities?
9. How and to what extent are sustainability aspects incorporated into your tools?
10. Do you adopt different process manifestations in different contexts? If yes, to what extent do you vary sustainability aspects? Why?
11. How are sustainability criteria weighted compared to traditional criteria? Why?
12. How do you inform your potential suppliers about their evaluation results?
13. Do you feel the need to improve your supplier selection process with regard to sustainability? Why?

Antecedents

14. Why does your company integrate sustainability in your supplier selection?
15. Which stakeholders have to which extent an influence on your supplier selection processes and evaluation criteria? And why?
16. How do you cope with expectations of your stakeholders in the context of sustainable supplier selection?

Enablers

17. To what extent is sustainability integrated into your corporate strategy?
18. What role does your firm's corporate strategy play in integrating sustainability in your supplier selection process? Where exactly is your corporate strategy manifested in your supplier selection process?
19. What other success factors (besides corporate strategy) influence the integration of sustainability in your SS process? Why?

Outcomes

20. What are the outcomes and effects (positive or negative) of your efforts to integrate sustainability aspects into supplier selection?
21. To what extent do sustainability efforts in your supplier selection system provide competitive advantage for your company? Why?
22. Do your customers recognize/honor your sustainable performance? How?

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