

Analysing competing logics towards sustainable supplier management

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Abstract

Purpose – To understand the context surrounding the sustainable supplier management (SSM) process (i.e. selection, development and evaluation), this paper aims to explore institutional logics existing in the Ecuadorian cocoa supply chain (SC). By considering local characteristics and sustainability practices, this study illustrates how competing logic influences SSM.

Design/methodology/approach – This paper uses a multiple-case study method for which the authors interviewed different cocoa SC members in Ecuador and used a ground-up approach to analyse the data and reveal singularities influencing sustainability management.

Findings – The analysis uncovered two main logics operating within the Ecuadorian cocoa SC SSM process: a commercial logic (e.g. potential for market access, product traceability) and a sustainability logic (e.g. local development and traditions/cultural issues). These logics address market demand requirements; however, some local producers' needs that impact SSM remains unexplored such as the existence of a regional ancestral culture that poses sustainability as a dominant logic with meaning beyond the triple bottom line. While the two logics have influenced supplier sustainability performance, this paper finds that, of the three SSM sub-processes (selection, development and evaluation), supplier development was the most relevant sub-process receiving attention from SC managers in the studied context.

Practical implications – By understanding the differences in logic and needs, SC managers can better develop strategies for SSM.

Originality/value – The study highlighted in this paper investigated the underexplored topic of the effects that competing logic may have on SSM. This paper focusses on the supplier's point of view regarding sustainability requirements, addressing a consistent research gap in the literature.

Keywords Supply chain management, Food industry, Sustainability, Global supply chain

Paper type Research paper

1. Introduction

Scholarly attention on supply chain management (SCM) has increasingly focussed on the implementation of sustainability activities in purchasing and in the supply chain (SC) structure (Govindan *et al.*, 2020; Miemczyk *et al.*, 2012); these activities are not implemented in a single effort but through different trajectories (Silvestre *et al.*, 2020). Understanding what underlies such trajectories is necessary to determine how to disseminate sustainability to suppliers (Rashidi *et al.*, 2020; Sancha *et al.*, 2015b; Touboullic and Walker, 2015), which can be achieved in multiple ways (Gimenez and Tachizawa, 2012). However, such dissemination cannot be limited to imposing changes through upstream SC members. Unlike what buyer companies do in many cases, the needs, resources and competences of suppliers should be considered, especially when focussing on emerging countries (Jia *et al.*, 2018). This paper explains how sustainable supplier management (SSM)

may occur in light of differences in meaning and practices between buyers and suppliers globally.

Using institutional logic, we understand supplier management as a way to implement a sustainability logic. Moreover, we analyse the change in Ecuador's role in the production of cocoa from raw material producer to certified export-oriented producer. However, as companies often struggle to integrate their sustainability activities and initiatives into their institutional environment, we argue that these sustainability practices and performance may be influenced by multiple competing logics (Pullman *et al.*, 2018). We consider

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Authors thank Politecnico di Milano, Universidad de Las Américas (Ecuador) and Excelsia Business School for their support in this research.

Received 31 July 2020

Revised 22 December 2020

19 April 2021

Accepted 22 April 2021

The current issue and full text archive of this journal is available on Emerald Insight at: <https://www.emerald.com/insight/1359-8546.htm>



Supply Chain Management: An International Journal
Emerald Publishing Limited [ISSN 1359-8546]
[DOI 10.1108/SCM-07-2020-0354]

that the existence of conflicts of interest and divergences in benefits following a shift of logic influences the emergence of homogenous results closely related to the use of certification guidelines. By analysing an institutional change from the supplier perspective and assuming the possibility of managing different or competing logics in the same context (Reay and Hinings, 2009), we cover a gap in the SCM literature concerning logics and their simultaneous coexistence.

Our research considers that SSM (i.e. supplier selection, development and evaluation) (Harms *et al.*, 2013; Koplin *et al.*, 2007; Reuter *et al.*, 2010; Zimmer *et al.*, 2016) is a powerful SCM process for achieving sustainability. Despite receiving less attention in the literature (Ghadimi *et al.*, 2016; Tate *et al.*, 2012) compared to, for example, supplier selection (Ramanathan *et al.*, 2020; Rashidi *et al.*, 2020), the whole SSM process itself merits further consideration. To this end, a shift from performance-based to practice-based research is required to examine the sustainability logic (Silva and Figueiredo, 2020), particularly in the context of supplier management. We assume that studying sustainability necessitates going beyond the traditional triple bottom line frame (Elkington, 2018) and acknowledging the need to add other characteristics such as the cultural, political and institutional issues of a region or sector, including existing opportunities for and restrictions to sustainability management (Fritz and Silva, 2018; Jabbour and Jabbour, 2014; Lima *et al.*, 2020).

We developed our study in the Latin American nation of Ecuador. The region is considered diverse due to its geographical aspects and climate, multiple cultures and highly urbanised populations (Tanco *et al.*, 2018). Although Latin America is a potential market to be developed, the search for SC sustainability (SCS) must include a search for both businesses and academics in the region willing to leverage future growth (Blanco and Paiva, 2014). In this sense, the study of specific issues such as SSM, concerning varied institutional logics emerges as a strong alternative for understanding such diversity. Logics are often difficult to recognise because of their various meanings and interpretations; however, once logics guide the management of sustainability in SCs (Montabon *et al.*, 2016), their analysis becomes necessary. This is particularly interesting in emerging countries, as specific factors (e.g. cultural and historical issues) define their business environments (Fritz and Silva, 2018).

Indeed, the study of institutional logics for SCS is gaining academic attention (Sayed *et al.*, 2017), as companies act according to their predominant sustainability understanding and according to the priority that sustainability is given to the business. Therefore, in this study, we aim to identify the logics shaping the SSM process within SCs in SCM using the supplier country's perspective to understand whether similarities between buyers and suppliers exist, which necessitates understanding the process of competing or coexisting logics functioning within the same SC relationship. By considering the under-studied focus on institutional logic and following the arguments on SSM, this paper aims to investigate two main research questions:

RQ1. What logics support the implementation of sustainability in an [food] SC?

RQ2. How is the SSM process influenced by this logic (these logics)?

This research was developed through qualitative case studies involving different SC players active in organic cocoa production in Ecuador. We assumed that to implement sustainability, a misalignment between buyers (often located in developed economies) and suppliers (mainly from emerging economies) may influence the SC design and relationship. Thus, this paper has three main contributions. Firstly, this research contributes to the study of SSM, which is often limited to an examination of the traditional sustainability approach, which points to the need to broaden the research perspective. In doing so, by analysing cultural and institutional issues, we demonstrate to scholars and practitioners a novel way to manage SSM. Secondly, by studying the logics that shape SSM processes within SCs in a country located in Latin America, we provide new insights into the perspective of a supplying country, a perspective still rarely found in the literature (Ghadimi *et al.*, 2016). However, we do not limit our contribution to the geographical region, as SSM is a topic of global interest. Thirdly, by revealing the elements that facilitate or hinder sustainability logic, this paper contributes to increasing both the studies on SC sustainability and the recognition of the importance of such studies, as required in the literature (Pullman *et al.*, 2018; Sayed *et al.*, 2017).

2. Conceptual background

2.1 Sustainable supplier management

The study of sustainable purchasing and supply management (SPSM) considers the strong implications of managing external resources under the sustainability criteria for research and practice (Johnsen *et al.*, 2017; Miemczyk *et al.*, 2012). The field may observe how multiple stakeholders are involved in SPSM implementation, even though the trend is to study it more closely from the buyer's perspective, especially for managing supply risks (Adesanya *et al.*, 2020; Cousins *et al.*, 2008). However, for Walker *et al.* (2012), the understanding of sustainability may diverge at the point of a buyer organisation's views and supplier's practices; hence, sustainability may be implemented diversely across various SC stages, depending on how institutional pressures at each stage are perceived (Gimenez and Tachizawa, 2012; León-Bravo *et al.*, 2019). Thus, a broader understanding of the process is needed. For instance, Sancha *et al.* (2015a) pointed out that institutional pressures on responding to calls for SCS differ across countries. Therefore, it is important to assume that SC members do not all attach the same meanings to practices and performance, particularly regarding sustainability.

The development of SPSM activities should consider the existence of different processes crucial for managing suppliers, including the SSM process. The SSM literature is often analysed according to three main sub-processes – selection, evaluation and development – to ensure that sustainability expectations are met as a result of an appropriate supplier direction and control (Foerstl *et al.*, 2010; Reuter *et al.*, 2010; Tate *et al.*, 2012; Zimmer *et al.*, 2016). According to Koplin *et al.* (2007), an integration of these sub-processes is needed to support supplier sustainability performance. However, the manner in which companies approach the sub-processes

depends on how sustainability is approached, perceived or understood within the company and across the SC. For instance, [Awaysheh and Klassen \(2010\)](#) claimed that SSM relies on social sustainability, which cannot be analysed in isolation (e.g. through evaluation only); instead, an interconnected approach to assessment must be taken. [Harms et al. \(2013\)](#) stated that sustainability is influenced by the SC strategy, while [Zimmer et al. \(2016\)](#) suggested that it is necessary to integrate upstream SC members or exhort them to improve sustainability by establishing specific requirements such as certifications to ensure sustainability ([Adesanya et al., 2020](#); [Cousins et al., 2008](#)). Achieving this may be challenging, as in the case of Latin America, where central SCM issues (e.g. lack of infrastructure, uncertain institutional environment, etc) affect integration among the SC players ([Tanco et al., 2018](#)), who encounter such specific requirements.

In the context of SSM, according to [Ghadimi et al. \(2016\)](#), the use of a triple bottom line perspective (i.e. environmental, social and economic) to understand supplier management has been underexplored, as more emphasis has been placed on economic and environmental criteria than on social standards ([Koplin et al., 2007](#); [Rashidi et al., 2020](#); [Tate et al., 2012](#)). However, an emerging set of studies places more attention on the perception of social sustainability ([Awaysheh and Klassen, 2010](#); [Sancha et al., 2015b](#); [Yawar and Seuring, 2018](#)) and other sustainability dimensions (e.g. institutional and political issues) ([Brix-Asala and Seuring, 2019](#); [Lima et al., 2020](#)). In this line of research, the use of sustainable development goals (SDGs) to better explain sustainability in varied contexts, especially connected to their own contextual priorities ([Fritz and Silva, 2018](#); [Salvia et al., 2019](#)), is under debate. This further demonstrates the need for more sustainability research to strengthen the literature on the topic. Following this perspective, for this research we assumed that SSM is not limited to the social, environmental and economic issues; instead, to capture the real meaning of sustainability, we assumed it includes additional dimensions as well (e.g. local and other cultural traditions) ([Fritz and Silva, 2018](#)).

We ground our research on the three SSM sub-processes: selection, evaluation and development. Supplier *selection* includes the sustainability activities deployed to identify the needs, specifications and evaluations involved in supplier qualification and selection ([Zimmer et al., 2016](#)). Criteria such as cost, time, quality, delivery and technological capability were considered in addition to sustainability dimensions ([Foerstl et al., 2010](#); [Ramanathan et al., 2020](#)). Supplier *evaluation* refers to the continuous monitoring of the supplier's compliance with minimum requirements and improvement of sustainability performance, which may require measures such as audits and certifications ([Awaysheh and Klassen, 2010](#); [Koplin et al., 2007](#); [Tate et al., 2012](#); [Zimmer et al., 2016](#)). Finally, supplier *development* may occur during either supplier selection (e.g. helping the supplier to achieve the minimum qualifications or selection requirements) or supplier monitoring (e.g. helping to improve performance-related outcomes above the minimum requirements) ([Harms et al., 2013](#); [Zimmer et al., 2016](#)). Hence, supplier development is a proactive practice applied for competitive reasons for product improvements and for the improvement of performance and capabilities as well ([Brix-Asala and Seuring, 2019](#); [Sancha et al., 2015a](#)).

In this context, despite the current discussion on sustainability understanding, the SSM literature lacks sufficient research on the topic. For example, the use of environmental and social criteria for evaluating suppliers remains underexplored, even though evaluating is an important aspect of the SSM process ([Adesanya et al., 2020](#); [Giannakis et al., 2020](#); [Winter and Lasch, 2016](#)). The same can be said of supplier development, on which the research has placed an even lower emphasis; thus, further studies are required in that area also ([Sancha et al., 2015a](#)). The fact that supplier selection is given more importance during decision-making activities related to managing supply networks may contribute to this situation ([Ghadimi et al., 2016](#)). Because suppliers assume a key role in SCS, supplier selection receives even more attention because a supplier already engaged with sustainability is more likely to guarantee sustainable purchasing ([Cousins et al., 2008](#); [Rashidi et al., 2020](#)). Greater interaction and collaboration among SC members may increase the introduction of sustainability throughout multiple SC tiers ([León-Bravo et al., 2017](#); [Ramanathan et al., 2020](#); [Sayed et al., 2017](#)); the main challenge to achieving this goal is the ability to promote a sustainability logic when it competes with other pre-existing logics.

2.2 Institutional logic in supply chain management studies

The study of institutional logic (IL) had its origin in [Friedland and Alford \(1991\)](#), who first highlighted the need to analyse the organisational principles of institutions once they were no longer isolated from each other but, instead, were mutually dependent in an organisational field. According to [Thornton and Ocasio \(1999, p. 804\)](#), an IL is defined as “the socially constructed, historical pattern of material practices, assumptions, values, beliefs and rules”. IL drives changes in organisations that influence how they organise themselves in time and space, for example. Logic refers to a theoretical construct that supports the emergence of common sense and unity within organisational fields ([Reay and Hinings, 2009](#)). In this context, organisations can trigger changes in their logic and shift their activities according to other logic, depending on management decisions ([Durand and Thornton, 2018](#); [Thornton and Ocasio, 2008](#)).

Different demands exist when defining or establishing a new IL ([Pache and Santos, 2013](#)), which rely on multiple logics in society and influence each other's existence ([Saldanha et al., 2015](#)). Despite this understanding, other than the current research, few studies have emphasised competing logic ([Reay and Hinings, 2009](#)). In SCM studies, several logics have been highlighted over the past few years to analyse relationships such as reducing costs ([Glover et al., 2014](#)), financial ([Sayed et al., 2017](#)), investment ([Annala et al., 2019](#)), ecologically dominant ([Montabon et al., 2016](#)) and social welfare ([Pullman et al., 2018](#)). Studies have also been conducted specifically on sustainability logic ([Sayed et al., 2017](#); [Silva and Figueiredo, 2017](#)). These logics are often managed by one focal organisation ([Pullman et al., 2018](#)); however, we cannot narrowly limit our lens of analysis to that perspective.

When examining logic, we need to differentiate taken-for-granted logic from institutional logic ([Mutch, 2018](#)), which means really understanding the current IL to look for changes

in the market and in society. Also, institutional pressures are applied by various stakeholders, not just the focal organisational power. Hence, as an IL and its influence on the organisational field can be analysed in multiple ways, we centre our study on sustainability. The challenge is how to manage different SC players, mainly suppliers, in changing their activities towards a sustainability logic. That can happen by replacing, competing with or complementing a dominant logic (e.g. maximising profit logic) (Annala *et al.*, 2019; Sayed *et al.*, 2017; Stål, 2015). According to Glover *et al.* (2014), IL can even be considered as a trade-off that creates an imbalance between SC players closely connected with coercive pressures.

An institutional logic of sustainability is “the outcome of actions – developed and institutionalised by organisations – that improves the sustainability of a given organisational field” (Silva and Figueiredo, 2017, p. 8). Thus, sustainability emerges as logic, as it turns into practice and sometimes results from radical changes in the understanding of current industrial activities (Stål, 2015). It guides organisations to new institutional formats that emerge from sustainability practices in relation to several logics existing in society. For instance, changes in the meaning of sustainability may occur through an ongoing process and create new actions and routines that different stakeholders (including suppliers) are able to follow in an organisational field (Silva and Figueiredo, 2020). In our case, the organisational field is represented by the SC (Sayed *et al.*, 2017).

According to Thornton and Ocasio (1999), a dominant IL is present in the organisational field and can coexist with other logic. However, according to Reay and Hinings (2009), it is necessary to understand how these logics compete while they coexist. In their study, they found that the interests of actors become connected to different logics that coexist based on collaborative arrangements. The authors argued that by understanding the nature of existing logics, it is possible to manage the rivalry and coexistence among them (Besharov and Smith, 2014). In our research, the aim is to identify the dominant logic or coexisting logic and highlight what is behind the sustainability claim that is targeted by the institutional change from raw material producers to certified export producers.

3. Methodology

To address the two research questions, we applied a qualitative multiple-case study strategy, as according to Yin (2014), a real-world phenomenon has the potential to be more deeply investigated through case studies. For the author, a case study should be developed pursuing three main objectives: a structured approach, transparency and adherence to evidence – all marked by the challenge of developing original research (Stuart *et al.*, 2002). In our research, we used the multiple-case study method, as it provides a wider view of the phenomenon, allowing for the analysis of similarities or differences that can further depict the reality under study. To this end, we analysed the certified production of organic chocolate bars in Ecuador, the largest fine or flavoured cocoa producer and exporter in the world (Ecuador and chocolate, 2021; ICCO, 2019) and the seventh-largest cocoa bean producer, according to FAO (2019) statistics.

The country has gone through a set of institutional changes in the cocoa production logic, transitioning from its former exclusive status as a raw material producer and seller to becoming

an export-oriented producer. In our research, we only consider the SC players related to this new way of producing chocolate in the country, i.e. with organic cocoa. Hence, to select our cases, only certified processing companies and stakeholders such as retailers and a certifying organisation were considered to provide an expanded view of the context of the study. According to the National Finance Corporation CFN (2018), in 2016, 32 companies in Ecuador exported certified organic cocoa, cocoa derivatives or chocolate bars. This information was used to define our final sample. The first phase of our research was to explore the research field (Yin, 2014). Thus, we contacted different actors (i.e. cocoa producers, a cocoa national association, small retailers; Table 1) who helped us to understand the local dynamics and vocabulary, as cocoa production is rooted in the indigenous culture and specific terms are used in the field. This step was crucial for developing our research protocol. Secondly, eight companies confirmed their interest and contributed with interviews and, in some cases, documentation. The number of cases, as in previous studies (León-Bravo *et al.*, 2020; Rodríguez *et al.*, 2016; Silva *et al.*, 2018), is considered appropriate, as the phenomenon and the industrial setting studied are both under-explored in the literature.

We used two main techniques to gather data – semi-structured interviews and secondary data collection. The interviews were used to gather general information about each company and learn each addresses sustainability, the process of changing the logic to value-adding along with a food commodity SC and how the organic certification schemes help to develop and improve sustainability along with their operations. As noted, the interview protocol was built based on input from different actors in the chain and it was completed using definitions from the literature regarding SSM processes, sustainable production practices, traceability systems and drivers for and barriers to achieving organic certification. Secondary data collection involved data gathering and validation from company websites, internal documentation (when provided) from industrial associations, websites and newspapers and from the website of the Ecuadorian national certification organisation.

As shown in Table 1, the cases analysed comprised six organic certified cocoa processing companies (i.e. chocolate producers) and two retail companies that specialised in organic artisanal products coming from smallholders, fair trade or cooperatives around Quito, the capital city of Ecuador. The retailers were included in the set of cases to widen the view of the organic chocolate production SC in the Ecuadorian market. An additional interview was conducted with a representative of one of the five certifying organisations in Ecuador to add to our knowledge of the industry by learning how the certifying organisation works and experiences the market, particularly regarding the organically produced labels based on the “national standard” developed by the Ministry of Agriculture and Livestock.

Data collection was developed in two stages. The first set of companies were interviewed from November 2018 to April 2019, the second set from July 2019 to February 2020. These two stages were necessary to clarify the potential nuances in the approach to organic certification that companies in this market have experienced in recent years, according to multiple stakeholders. Interviews were conducted in Spanish in person or by phone, depending on availability and access to the

Table 1 Cases under-study

Case	Interviewee	Main activities	Product lines	Production	Export	Market	Certification	Reference/source
1	Factory manager	Chocolate production	Chocolate bars and bonbons Cocoa paste Cocoa butter Cocoa powder Cocoa nibs	3.500 Kg/month (chocolate bars and bonbons)	Yes	France and Japan	USDA Bio-EU	Ecuadorian Ministry of International Trade and Investments (2018)
2	Marketing manager	Chocolate bars production	Chocolate bars Filled chocolate bars Cocoa butter Cocoa nibs	18.000 units/month (chocolate bars) 20.000 units/month (filled chocolate bars)	Yes	USA and Europe	USDA Bio-EU	Ecuadorian Ministry of International Trade and Investments (2018)
3	Manager	Cocoa production (cooperative) Chocolate production	Organic cocoa beans Organic cocoa nibs Cocoa liquor Cocoa powder Chocolate bars	300 tons/year	Yes	USA and Europe	USDA Bio-EU	Ecuadorian Ministry of International Trade and Investments (2018)
4	Responsible for Environmental control	Cocoa production (cooperative) Chocolate production	Cocoa beans Cocoa butter Cocoa cake Cocoa nibs Chocolate bars	10.000 tons/year 200 tons/year 250 tons/year 400 tons/year 2 tons/year	Yes	USA and Europe	USDA World Fairtrade Org Fairtrade Internat. RFA Eco-cert	Ecuadorian Ministry of International Trade and Investments (2018)
5	Sales manager	Cocoa derivatives production	Cocoa nibs Cocoa cream Cocoa powder Cocoa paste Chocolate bars	1 ton/month	Yes	Japan	Organic	
6	Production manager	Gourmet chocolate bars production	Chocolate bars (dark and filled)	60 tons/year (capacity) 10,5 ton/year (real)	Yes	USA, Europa and Switzerland	Organic USDA Bio-EU Kosher	Ecuadorian Ministry of International Trade and Investments (2018)
7	General Manager	Conditioning Retail	Artisanal and organic food products	N/A	No	Only local	ISO 9001–2000	
8	Store manager	Specialised retail and food-service	Non-processed food Biocosmetics	65 product lines (inc. Case 5 chocolate)	No	Only local	B	

company locations; each interview lasted 20–60 min. To prevent mistranslation, back translation of the data (i.e. from Spanish to English and back to Spanish) was conducted by two of the researchers. In addition, secondary data were collected, mostly in Spanish but, in some cases, in English, from various sources such as webpages and videos from companies, associations and cooperatives.

Collected data were coded in two steps following a ground-up approach (inductive analysis). To increase reliability and rigor, the analysis was double-checked by the authors in several rounds, which ensured transparency of reasoning (Ketokivi and Choi, 2014; Seuring, 2008). As our first step, we identified the activities related to sustainability that each company deployed. These activities were then further classified according to the following elements: local traditions and culture, local

development, the potential for international market access, product traceability, cost and issues related to sales (i.e. first-order code). These codes emerged from the analysis and were validated in the literature, on one hand, as drivers or motivations for implementing sustainability activities, initiatives or projects and on the other hand, as elements that influence sustainability implementation in developing economies (see details in Table 2).

The second coding step was crucial to acknowledging that organisations are embedded within complex institutional contexts that shape the logics under which they approach sustainability (Lu *et al.*, 2018); our study aimed to identify these logic(s) that support the implementation of sustainability in the companies under study. Therefore, in the cross-case analysis conducted, the second-order codes aggregated the

Table 2 Elements (1st order codes) influencing sustainability implementation

1st order codes	Definition	References
Potential for international market access	Companies implement sustainability-related activities, initiatives or projects with the aim of attaining – new-international market segments where products with certain characteristics or origin are appreciated	Parmigiani and Rivera-Santos (2015), León-Bravo et al. (2020), Walker et al. (2000) and Jia et al. (2018)
Product traceability	Traceability supports transparency in the supply chain. Companies that implement traceability can demonstrate their commitment to sustainability. Nonetheless, generating information for the consumer requires developing competences and capabilities, that, in turn, is very difficult to achieve Standards and certifications as the organic certification that act also as traceability systems become a requirement in the industry	García-Torres et al. (2019), FAO (2017), Stranieri et al. (2017) and Jia et al. (2018)
Cost reduction and sales increase	Sustainability related activities, initiatives or projects support more efficient operations (cost reduction) and the increase of export and sales because of a more sustainable image	Walker et al. (2000), León-Bravo et al. (2020), Jia et al. (2018) and Sancha et al. (2015a)
Local traditions and culture	Habits, traditions and historical-cultural elements in developing countries determine how communities and companies behave and address sustainability (social and environmental objectives, trust, fairness, collaboration, collective sense of responsibility, attention to community and care for the land)	Fritz and Silva (2018), Jia et al. (2018) and Lu et al. (2018)
Local development	Sustainability activities, initiatives or projects support local development: empowering communities, improving the quality of life, transferring and spreading know-how, investing in initiatives that foster economic development	Vellema and Van Wijk (2015), León-Bravo et al. (2020), Fritz and Silva (2018) and Brix-Asala and Seuring (2019)

previous sustainability activities (first-order codes) into the institutional logic that explained the implementation of such activities: commercial logic or sustainability logic. For the aims of our study, sustainability logic was illustrated by activities deployed for local development, to enhance tradition/culture and to respect the environment/biodiversity; commercial logic manifested in efforts to improve market access, export potential and traceability, adopt certification as a market enabler and potentially reduce costs or increase sales. This aggregation went through several rounds of review by the authors, also, until consensus was reached. Considering that the researchers in this study followed their idiosyncratic knowledge of the study context (Ketokivi and Choi, 2014), the coding and case analysis also needed to be validated by academics and experts in the field through consultation meetings and academic conference presentations.

Subsequently, and with the aim of answering the second research question, a data analysis procedure similar to the first was conducted. Firstly, data were coded according to the three SSM sub-processes (selection, development and evaluation) defined in the literature (Foerstl et al., 2010; Harms et al., 2013; Koplín et al., 2007; Ramanathan et al., 2020; Tate et al., 2012; Zimmer et al., 2016). Secondly, the evidence from cases was coded along with the institutional logic linked to the SSM sub-processes, as it was in the analysis for the first research question. The validity, rigor and reliability of the research were ensured during data collection and data analysis (Stuart et al., 2002; Yin, 2014) both by basing the data gathering and coding on concepts previously defined in the literature and by collecting and analysing additional data from a certification body, Ecuadorian state organisations and news reports, thereby ensuring the study was situationally grounded (Ketokivi and Choi, 2014). The additional information and validation were vital to confirming the relationships, if any, among the elements analysed and, as such, to increasing the validity of the research process.

4. Research context

The Ecuadorian economy is centred on petroleum and agricultural exports (FAO, 2017). Cocoa production is one of Ecuador's most important exported products; up to 75% of the overall production volume is dedicated to the fine or flavour category (Anecacao, 2015; ICCO, 2016). The country's geographical location and biological resources facilitate cocoa production with a high level of purity and special flavour and aroma. Cocoa production and export have been fundamental to the country's economic development (FAO, 2019), as before the Europeans colonised the continent, today representing an industry worth up to 700m dollars (Anecacao, n.d; Ecuador and chocolate, 2021). However, different government decisions and world events over time have redirected the focus to exportation and upgrading local producers. To understand the changes to the local institutional logic, it is necessary to understand the historical moments behind this change process. The history of Ecuadorian cocoa production is summarised as follows:

- Over 5,000 years ago *Theobroma* cocoa originated in the Amazon region; the cocoa culture was already considered central in Ecuador (Anecacao, 2015).
- More than 1,000 years before the discovery of America, cocoa was used as currency and to prepare a drink called *xocolatl*, although, due to its sour flavour, it took over a century to be adopted in Europe (Anecacao, 2015).
- In the sixteenth century, cocoa production in the then Spanish colony of Ecuador flourished and the cocoa was recognised for its quality and aromas.
- In 1830, the Republic of Ecuador was founded and cocoa production provided a foundation for the economy of the new republic.
- In the late nineteenth century, Ecuador became the leading exporter in terms of volume, due to its soil and temperatures that especially favoured the “national” variety (Anecacao, 2015; ICCO, 2016).

- Pests and diseases at the beginning of the twentieth century gravely reduced cocoa production in Ecuador to its lowest level in history. Moreover, the lack of a means of transportation and international market difficulties resulting from World War I triggered an Ecuadorian economic crisis and economic instability (Anecacao, 2015).
- Green bean exports decreased and other fruits and crops were prioritised between 1950 and 1970 (e.g. banana production). Moreover, Ecuador became oil-dependent and in 1972 major crude oil pipelines were constructed in the country (Baquero Méndez and Mieles López, 2014).
- In the 1980s, the Ministry of Agriculture, Livestock, Aquaculture and Fisheries focussed on new objectives such as improving the living conditions of small producers by social inclusion, generating linkages with national and international markets and developing new services and infrastructure (Agrocalidad, 2020).
- The National Secretary for Planning and Development (SENPLADES) established a National Development Plan in 2007 that took a pioneering approach towards cocoa production and export. The plan was intended to change the production matrix, adding value to the production by incorporating manufacturing in addition to serving as raw material suppliers (SENPLADES, 2017).
- Aligned with the National Development Plan, the Ministry of Agriculture, Livestock, Aquaculture and Fisheries established Agrocalidad in 2013 as the entity in charge of promoting and developing techniques to certify organic production in Ecuador (Agrocalidad, 2020).
- In the current National Development Plan of Ecuador, the aim through 2021 is to shift from being a country that mainly extracts resources to a country that locally produces finished goods, which in this case means using the cocoa bean resources to produce chocolate bars or semi items. The National Secretary for Planning and Development (SENPLADES, 2017) directed that sustainable activities be supported by managing natural resources responsibly, creating win-win situations and increasing value through alliances with local suppliers to achieve local development.
- During the COVID-19 outbreak, the price of cocoa beans increased in May 2020 for some farmers that were committed to quality, according to the Ecuadorian Ministry of Agriculture and Livestock (2020).

Understanding the advantages of cocoa production in Ecuador, a system that has gone through many phases makes clear the importance of that production to the country's history and economy. The increasing demand for fine chocolate beans indicates the potential exists for growth in the sector; thus, the cocoa industry provides an alternative production option for small-scale farmers threatened by food insecurity and climate change (FAO, 2019). Hence, in the past 10 years, the industry has been moving towards an added value strategy and several local brands have focussed on producing "fine or flavour" cocoa items, processing and exporting organic and non-organic chocolate bars mainly to North American and European markets (Ecuador and chocolate, 2021). This process reflects the changes in the institutional logic of production.

5. Findings

To identify the institutional logic surrounding the SSM process in the organic cocoa SC in Ecuador, it was first necessary to understand the context for institutional changes represented by a sequence of events over time. By understanding this context, then, it was possible to analyse the existing logics and determine if they were rival or coexisting logics. As such, it was possible to identify the influence on SSM by addressing the research questions.

5.1 Institutional logics in cocoa production in Ecuador: rivalry or coexisting?

To develop the research, sustainability was initially understood according to the main social, environmental and economic dimensions but also with the consideration of potential additional issues such as cultural concerns (Fritz and Silva, 2018). From the data analysis, we observed that the implementation of sustainability in the cases under study combined two logics. On one hand, the company's objective in obtaining certification was to secure a place in the local and/or international market, reduce costs and increase sales, supported by the implementation of traceability (i.e. commercial logic). On the other hand, companies implemented sustainability by supporting local development while highlighting their competitive advantage by promoting the product's origin, the traditional agricultural practices and respect for the environment (i.e. sustainability logic). Table 3 summarises the approaches to sustainability taken by the companies and the logic for the organic certification implementation and adoption.

The sustainability logic was predominant in the companies' actions for sustainability, illustrated in Table 3 by the companies' references to those approaches as relevant for sustainability and certification implementation. Firstly, sustainability in organic cocoa production in Ecuador was influenced by cultural and traditional factors: network composition (e.g. family-owned businesses, smallholders, individual farmers), economic conditions (poverty, access to education, state policies), ancestral beliefs about respect for land and biodiversity (i.e. traditions), solidarity, trust and collaboration. Companies were guided by their respect for the "pachamama" (mother earth in *Quichua*, one of the indigenous languages spoken in the country) and, thus, for protecting the soil and biodiversity, as Cases 2, 3, 4, 5, 6 and 8 highlighted. Secondly, sustainability was tightly connected to local development, which was urgently needed in the country. Women's empowerment, training and educating the new generation were initiatives mentioned in several cases under study (Cases 1, 2, 4).

Moreover, interviewees explained how, in the organic cocoa transformation sector (i.e. for chocolate production), larger companies supported smallholders and cooperatives (Cases 1, 2, 4) and how smallholders upgraded in the industry to become manufacturers and exporters themselves with a clear focus on social and community development as brand differentiation (Cases 3, 5). In all the cases, both chocolate producers and retailers underlined how important it was for them to "tell their story" when selling their products (i.e. explain what is behind cocoa production in the country concerning biodiversity protection and the connection with the local communities). As

Table 3 Cross-case analysis to identify the institutional logic in the cases under-study

Constructed code: Approaches to sustainability and certification	Cases								Drivers and motivations for sustainability	Institutional logic
	1	2	3	4	5	6	7	8		
Communication to customers is difficult	x	x		x	x	x		x	Potential for market access	Commercial
Sustainability to develop and keep customer loyalty		x	x		x	x	x	x	Potential for market access	Commercial
Organic nomination helps business expansion	x	x		x			x		Potential for market access	Commercial
Different markets require different (sustainability/origin) certifications	x	x							Potential for market access	Commercial
Customers require the certification	x	x	x						Export potential	Commercial
Certification attracts another customer segment			x	x	x	x			Export potential	Commercial
International customers willing to pay premium prices	x	x							Export potential	Commercial
Tell the story behind the company highlighting quality, Ecuador, organic and local development	x	x	x	x	x	x	x	x	Export potential	Commercial
Technology use is projected for improving operations		x	x			x			Product traceability	Commercial
Sustainability and certification increase transparency and trust	x	x					x	x	Product traceability	Commercial
Traceability used for registering data about suppliers, volumes, quality, complaints and issues	x				x			x	Product traceability	Commercial
There is high uncertainty about commodity supply						x	x	x	Cost reduction/sales increase	Commercial
The role of the state: influence on commodity prices, policies, priorities and education		x						x	Cost reduction/sales increase	Commercial
A sustainable and certified product for increasing profits	x	x					x		Cost reduction/sales increase	Commercial
Empowerment to women to get into business	x			x		x			Local development	Sustainability
Support small farmers to improve their business	x	x				x	x		Local development	Sustainability
Collaboration within the SC is crucial	x	x		x				x	Local development	Sustainability
Training young generations in the ancestral and sustainable agricultural techniques	x			x					Local development	Sustainability
Company values established in sustainable development	x	x					x	x	Local development	Sustainability
Industry is composed mainly of family-owned businesses attached to the community		x	x	x	x				Tradition/culture	Sustainability
Region and climate are differential for product quality	x	x				x		x	Tradition/culture	Sustainability
Cocoa bean type is fine of flavour, a differential in the market					x	x	x	x	Tradition/culture	Sustainability
Tell the story behind the company highlighting quality, Ecuador, organic and local development	x	x	x	x	x	x	x	x	Tradition/culture	Sustainability
Local consumers cannot differentiate organic from regular product	x	x				x		x	Tradition/culture	Sustainability
Respect the territory/environment/biodiversity		x	x	x	x	x		x	Tradition/culture	Sustainability

such, companies in the organic cocoa production and transformation in Ecuador predominantly followed a sustainability logic when implementing their sustainability and certification activities by prioritising local development and the strengthening of their traditional and cultural characteristics.

As highlighted by the interviewees, it is not only the cocoa bean type and quality that holds the final product value but also its origin, the land, the farmers' hands, the community work and the capability of becoming processors themselves that will make the consumer choose their product. As the interviewee for Case 6 explained: "Ecuador is blessed with the richness of natural resources and our geographical location supports the excellent quality of our fine cocoa, its flavour and fragrance [...] and it is up

to us to communicate this to the world". The Case 3 interviewee also highlighted the value of the story: "Nowadays our message is to promote the story behind a chocolate bar, the quality, the certification and, even more than that, the 850 families who worked for it and will benefit from the chocolate sales".

Nonetheless, the interviewees mentioned challenges they faced in attempting to reach consumers with their messages. The Case 8 interviewee mentioned: "We believe in the value of our mission, but local consumers are not yet aware of how organic chocolate has a different flavour, quality and fragrance, so we need to work harder to shift the interest to sustainable products". Additionally, interviewees often mentioned other challenges that may inhibit company growth such as lack of

Table 4 Cross-case analysis connecting institutional logics and SSM processes

Constructed code: Approaches to sustainability and certification	Cases								Drivers and motivations for sustainability	SSM process	Institutional logic	
	1	2	3	4	5	6	7	8				
Organic certification guarantees product quality and environmental responsibility	x		x		x				x	Export potential	Selection	Commercial
Lack of funding of smallholders and cooperatives for implementing new projects or certifications	x	x		x	x	x				Local development	Specification and selection criteria	Sustainability
Small-holders respect traditional (ancestral-analog) and sustainable, environmental practices		x	x	x	x					Tradition/culture	Monitoring	Sustainability
Documental traceability requires manual data input (excel)	x	x	x						x	Product traceability		Commercial
Certification audits control and feedback: growing and harvesting processes	x			x		x			x	Product traceability		Commercial
Lack of support to smallholders for obtaining certifications/traceability and promotion of agricultural practices	x	x	x						x	Local development	Development	Sustainability
Collaboration within the SC (at selection)	x	x		x					x	Local development	For achieving minimum requirements	Sustainability
Develop a close relationship with farmers	x	x		x		x	x	x	x	Tradition/culture		Sustainability
Premium price offer (at selection)	x	x	x						x	Local development		Sustainability
Cost of certification is the farmer's responsibility	x	x	x	x	x	x	x	x	x	Potential for market access		Commercial
Quality control required from customers/buyers				x	x				x	Product traceability		Commercial
Technology for traceability: lack of skills, need for specialised system per product category	x	x	x	x	x	x	x	x	x	Product traceability	For performance improvement	Commercial
Premium price offer (for performance development)	x	x	x						x	Local development		Sustainability
Respect the territory/environment/biodiversity		x	x	x	x	x			x	Tradition/culture		Sustainability
Collaboration within the SC (for performance improvement)	x	x		x					x	Local development		Sustainability
Develop a close relationship with farmers	x	x		x		x	x	x	x	Tradition/culture		Sustainability
Value-adding in the industry: production techniques, sustainability and market niche				x		x			x	Local development		Sustainability
Training employees in the ancestral and sustainable agricultural techniques		x		x	x					Local development		Sustainability
Work under the fair trade and responsible principles	x	x	x						x	Local development		Sustainability

funds, limited capabilities, limited support for obtaining required certifications, ability to deploy a communication and marketing strategy, adoption of technological tools and negotiating prices with buyers (Cases 1, 3 and 9). This supports the need for a stronger alignment and collaboration among SC members to facilitate understanding of the needs and expectations of other actors and consideration of those needs and expectations during the SSM process.

Therefore, the sustainability logic coexists with the commercial logic in this sector in Ecuador. Indeed, companies also adopt the commercial logic when implementing sustainability initiatives and certifying their products. The commercial logic follows the objectives of achieving wider market access, increasing sales and increasing the export ratio. Moreover, the commercial logic is exhibited when companies implement sustainability for business expansion, to increase profits, to obtain market access and for exportation. The Case 2 interviewee explained it as follows: "We are committed to

our 'from bean to bar' philosophy. Sustainability is at the heart of our operations and this work has been fruitful. The market of our organic chocolate is enlarging, [...] especially abroad where consumers are attracted by its flavour, quality and origin". The Case 6 interviewee instead underlined that "the farmers, the producers realised that they cannot survive by implementing sustainable initiatives alone or by expecting aid from the state, so they now see themselves as entrepreneurs and view their land as their business unit and they are able to generate profits".

Moreover, the commercial logic implies the use of traceability as a tool to demonstrate commitment to sustainability throughout the SC. This ratifies the connection between both logics and highlights the dominance of the sustainability logic as well. Interestingly, for several companies, the link between traceability and sustainability in organic cocoa production and transformation in Ecuador appeared somewhat "blurred" because the terms were often used interchangeably.

As the Case 4 interviewee described: “effective traceability combines internal and external collaboration; each actor should know who the other actors [supplier and customer] are in the chain to have safe and transparent information, which is something we work together for”.

Interviewees explained that in the international organic chocolate market, buyers require certified suppliers, preferably those that offer something additional to support their brand such as, for example, relationships with local communities, other initiatives for soil care, biodiversity and species protection or female immersion in the working population, as Cases 2 and 5 noted. This perspective demonstrates the high-pressure level of requirements, which, if well understood, could facilitate the SC relationship in that regard. According to our findings, we discovered that both logics are clear in the supplying country context, but it seems they are not very clear to the buying countries, which creates a level of distinct perceptions. In that sense, logic appears to be clearly differentiated and complementary for achieving sustainability in this sector. Both local buyers and suppliers follow a sustainability logic together with commercial logic, combining their core mission and competitive differentiation to access local and international markets.

5.2 Sustainable supplier management and institutional logics

The implementation of sustainability in the cases under analysis responded to internal company values or strategies under the sustainability and commercial logic but also to close relationships with suppliers that shared the culture and traditions and intended to access new markets with their certified product. Hence, regarding the analysis performed for the second research question in this study, we further examined how the meaning of sustainability moderated the manner in which companies addressed the three sub-processes of SSM (selection, development and evaluation), as summarised in [Table 4](#).

Concerning the first sub-process, the local processing companies explained that supplier selection is rather straightforward: the organic certification of the farmer or cooperative is enough to qualify for selection. Nonetheless, as mentioned in the previous section, additional features are also appreciated. In addition, supply uncertainty requires companies to plan for alternatives such as double or multiple sources or encouraging suppliers to improve their production processes with technology. As the interviewee in Case 6 explained: “Sometimes cocoa supply is lower than needed and other times it is higher, as we have an average monthly need for two tons of cocoa; this requires our suppliers to technical and modernise their production”. The Case 8 interviewee presented a similar view: “Supply uncertainty is an issue: the ideal would be to have two tons monthly, but variability is difficult to handle, so the producer should improve this”.

Negotiating or campaigning for organic certification adherence is often needed as well. The representative interviewed for Case 2 explained in detail how they insisted on and promoted the importance of being organically certified to producers, not only for cocoa beans but also for fruit, herbs and other ingredients. The company advocated potential economic gains in international markets as a result of the certification as well. In this respect, for the selection phase, the commercial

logic appears to be predominant, as companies establish the criteria (organic certification, no chemicals) that will allow them to expand their market, export and reduce costs. Nonetheless, companies also acknowledge the difficulties that farmers face in terms of lack of funding or capabilities.

Regarding the SSM sub-process of supplier evaluation, companies in our study explained that compliance with organic certification requirements is entirely up to the supplier and that maintaining up-to-date certification is enough to keep the farmer in the supply base. Nonetheless, practices and initiatives implemented for safeguarding cultural and ancestral traditions are appreciated. Similarly, in this sub-process, the commercial logic is mostly present when companies adopt traceability for information registry and sharing and when they entrust the certification audit with ensuring compliance in the cultivation and harvesting processes. Cases 1 and 5 described the documental traceability process in place and how valuable information can be gathered, not only for maintaining organic certification but also to validate transparency and trust among SC actors.

Monitoring and following up on sustainable and traditional agricultural practices is also in the companies’ interest. The certification body plays a crucial role in the supplier evaluation subprocess. This organisation performs the audits and renewals, although all responsibility is placed on the actor, that is, the farmer. The certification body representative acknowledged the challenges to suppliers regarding certification costs, described how various price schemes can facilitate the process and explained that certification allows suppliers to access international markets and, thus, increase sales. Therefore, as noted previously, the commercial logic is evidenced when international buyer companies, as well as local buyers, support and encourage supplier certification, stating that it is their own responsibility to obtain it and highlighting the market access opportunity it provides.

Alternatively, companies devote more effort to the supplier development sub-process, either to help farmers to achieve the minimum requirements or to support them in improving their overall business performance. A company that intends to support a supplier during the selection process to achieve the minimum requirements may do so through several initiatives such as collaboration, training, paying premium prices and helping the company obtain funding for the certification. As the Case 4 interviewee elucidated: “we provide technology like drying ovens to the suppliers, they organise themselves for cultivation and harvest and we help them with a few of the next steps”.

If the company aims to further develop the supplier after selection, during evaluation and monitoring, additional activities may be implemented such as fair-trade culture and values diffusion, establishing tighter relationships (long-term contract, training), premium prices, technology diffusion, women empowerment and educating younger generations. In this sub-process, the sustainability logic dominates, especially when companies focus on long-term supplier development. For instance, the Case 8 representative underlined the importance of committing to SDGs: “We have implemented several initiatives with our suppliers for its [SDGs] also based on marketing and promotion campaigns and we see already how our suppliers are improving sales and their economic development”. Most of the interviewees highlighted the

importance of having suppliers who are not only producing better and more but are also developing better living conditions while protecting their territory and biodiversity. Therefore, companies also implemented several initiatives with and for their suppliers regarding know-how transfer, spreading the fair-trade culture and principles, adding value to the production process, finding their competitive differentiation and widening their target markets.

6. Discussion

The aims of this study were to gain an understanding of how institutional logics shape the adoption of sustainability in SCs and, in turn, how SSM is influenced by these logics. In analysing a Latin American country, we intended to identify local characteristics and to recognise specific behaviours regarding the SSM process currently in place, as Jia *et al.* (2018) suggested. Despite the focus on the local-context analysis, this research has a global sustainable SC significance, as SSM is undoubtedly also influenced by local elements in different geographies and industries (e.g. certified cheese in Italy – León-Bravo *et al.*, 2020; dairy in Kenya – Brix-Asala and Seuring, 2019; cashew nuts in Brazil – Silva *et al.*, 2018). The findings summarised in Tables 3 and 4 and detailed in the previous sections indicate that companies of the cocoa SC in Ecuador require a non-traditional SSM approach that provides a different sustainability meaning and considers the local characteristics (Fritz and Silva, 2018). Such a perspective demonstrates the buyer's need to manage suppliers by going beyond the social, environmental and economic criteria often established in the literature and in practice. Our findings show that SSM should change or be adapted to increase the connections among SC members.

Our study observes that from a supplying country viewpoint, the SSM sub-processes, i.e. selection, evaluation and development (Harms *et al.*, 2013; Koplín *et al.*, 2007; Reuter *et al.*, 2010; Tate *et al.*, 2012; Zimmer *et al.*, 2016), transcend the supplier direction and control and intend to appraise the suppliers' needs, resources and competences, which turns into our first proposition. In an SC relationship, buyers need to stop pressuring suppliers without trying to recognise and manage their individual needs and stop providing information without first establishing a close connection with the supplier context (Lalwani *et al.*, 2018). For example, our findings show the need to maintain the local culture and tradition of ancestral practices as part of SCM. We found that SSM is not only about introducing organic (or other) certification but also how a buyer's requirements affect the local life and dynamics of multiple communities. We confirm with these results that in Latin America (and, perhaps, in similar contexts) some local characteristics become part of SSM.

- P1.* A non-traditional SSM process considers the local SC characteristics, including local culture and traditions.
- P1.1.* SSM benefits when recognising a supplier's needs, resources and competences.
- P1.2.* SSM improves when changing from a directive approach to an integrative approach.

Our data analysis also suggests the coexistence of two institutional logics motivating sustainability implementation in the organic cocoa production and transformation industry in Ecuador, namely, commercial logic and sustainability logic. Similar to Sayed *et al.* (2017), our results support that managers need to understand their prevailing institutional logic to better define changes in supplier management and the introduction of sustainability. Thus, by recognising logic, managers can better align their strategies with SC operations. In our study, the sustainability logic was dominant, which differs from previous research with findings more closely related to economic/financial logic (Glover *et al.*, 2014; Sayed *et al.*, 2017). Findings summarised in Table 3 and detailed in this paper point to the contrasting reasoning that companies have when adopting sustainability initiatives but, at the same time, to the fact that companies manage both logics together. On one hand, commercial logic for sustainability implementation in this study addresses the objectives of accessing new markets, increasing sales or reducing costs, as well as improving traceability as required by buyers. On the other hand, the sustainability logic is evidenced with the intention of preserving ancestral practices and promoting local development by empowering communities, transferring know-how and fair business practices. Managing both logics at the same time emerged as the main challenge.

Furthermore, during this research, we identified that sustainability implications affect the various actors in the SC differently, which is related to power structures, for instance (Stål, 2015). We found with our research that the existence of commercial requirements (such as organic certification) emanating from the top down do not represent the needs, resources, beliefs and values of cocoa producers in Ecuador, which demonstrates the existence of a rivalry of logics from the buyer country's perspective (Reay and Hinings, 2009). This result addresses the criticism from Annala *et al.* (2019) in terms of identifying how to translate the logic in practice and how individuals act to adapt their logic. With few to no considerations about the supplier country characteristics, we observe a misalignment in the implementation of SSM, which generates reflections for managers globally. These findings also address an under-explored supplier country perspective (Jia *et al.*, 2018) to understand SCS. Indeed, although the sustainability logic appears to predominate in this local context, companies also follow a commercial logic on their sustainability journey by disregarding the coexistence between them (Pullman *et al.*, 2018). Hence, we show how competing logics can coexist at the same time (Annala *et al.*, 2019) and posit the following proposition:

- P2.* Competing institutional logic for sustainability implementation can coexist throughout SCs.
- P2.1.* Commercial logic supports implementing sustainability for accessing potential new markets, reducing costs, increasing sales and using traceability systems as buyers require.
- P2.2.* Sustainability logic intends to address local needs in improving local development (social and economic) and safeguarding culture and traditions.

In addition, in our study, we found supplier management as a way to implement a sustainability logic, mainly when considering the understanding of both supplier and buyer concerning the main elements and meanings of sustainability involved. This addresses the suggestion of [Silva and Figueiredo \(2017\)](#) to identify the nature of sustainability. When understanding meaning and elements, we can better explain and reflect on how SC managers should use this information to develop improved strategies by observing the SC relationships. Finally, we identified elements that can facilitate or hinder the sustainability logic such as market access potential, corruption, cost of implementation and lack of estate support (funding) ([Tanco et al., 2018](#)), which, in turn, can be smoothed out with an ad-hoc SSM process that recognises local characteristics, needs and capabilities. These elements are crucial for clearly recognising the coexistence or competition among institutional logics ([Saldanha et al., 2015](#)). Therefore, we formulate the following proposition:

- P3. The SSM process that considers the local context perspective facilitates the sustainability logic implementation.

In summary, our research showed that towards sustainability implementation, the analysis of institutional logics and their influence on supplier management is essential for recognising the potential of the supplier country, even if it does not necessarily lead the process of change but can become a real contributor of SCS. As already recognised in the literature ([Lalwani et al., 2018](#); [Thorlakson, 2018](#)), the cocoa SC either in Africa or Latin America has its own evolution and connection with sustainability, which needs to become part of buyers' strategies and decisions. Therefore, the more the different SC members advance in sharing beliefs, values and meaning, the closer they will come to reaching sustainability. Such evolution may offer to other food SCs insights on how to manage suppliers and add sustainability criteria. The challenge is how to stimulate that sharing throughout global SCs.

7. Conclusion

Through the analysis of institutional logic and its influence on SSM, this study revealed a new approach to understanding the supplier country's needs and expectations. By recognising the existence of two institutional logics (i.e. commercial and sustainability), we highlighted that certification *per se* is not representative of sustainability practices but, instead, is a way to support buyer countries in guiding their own expectations. We found during our research that the meaning of sustainability does not follow the traditional perspective, which emphasises the need to determine the supplier country's priorities. Our findings showed that the way companies interact in the SCs needs to be rethought because when sustainability is the dominant logic, other issues should moderate the interaction, not only the economic issues. Also, we highlighted some underexplored characteristics of a Latin American country. The research context relevance is not limited to this region; it extends to the interests of global managers and scholars.

This paper provides *theoretical implications* in different ways. The SSM process can be improved by recognising the local perspective and the coexisting logics such as enhancing local

traditions in the supplier selection sub process and identifying a supplier's needs and capabilities for adopting and maintaining the label/certification in the supplier evaluation sub process, which, in turn, follows sustainability and commercial logics, respectively. We demonstrated that supplier management concerning sustainability may become more efficient when looking at the whole SSM process. Despite the fact that the main focus currently is on each sub-process separately, SSM is facilitated when it assumes its full power. Additionally, acknowledging not only the supplier's capabilities that facilitate the commercial logic but also the strengths that are built with the sustainability logic supports the development process of SSM in the cocoa SC.

We identified that multiple logics shape the adoption/practice of sustainability and SSM; thus, we invite reflection on competing and coexisting logics. This is an overlooked debate, mainly in terms of SCM, that deserves further investigation. Still in the context of institutional logic, with this research, we demonstrate how to turn the logic into practice, which for SSM refers to translating the sustainability meaning into SC strategy and operations. We believe that the understanding of logic should not be separate from the management process. In addition, through studying the supplying country context in Latin America, we used the perspective of multiple SC stages, including a certification body, which enriches the literature often centred on the focal company perspective, but we also highlighted the need to consider third party members in different SCs. Finally, we extended the sustainable SCM literature by identifying the elements that can facilitate or hinder the current application of sustainability logic ([Pullman et al., 2018](#); [Sayed et al., 2017](#)). As SSM is an SCM process, understanding these elements provides new theoretical insights.

Managerial implications also emerged during our research, as the sustainability logic in place in supplying markets is scarcely acknowledged but can be of interest to managers to promote actions to satisfy buyer demands. Moreover, recognising issues that hinder the sustainability logic such as the lack of state support for access to certification, technology and training to improve agricultural techniques and the promotion of soil transformation, may be of value from a practitioner's point of view. Local managers are aware of these issues, but international buyers should also realise the challenges that exist in supplying countries so the logics that coexist there can better address the buyers' strategies for the upstream in their SCs, as greater awareness from international buyers may create a different SSM process and the full potential of sustainability criteria may be better applied. Similarly, local buyers that also follow a sustainability logic could further brand their (sustainable) products to attract consumers in local markets. Our results can also guide local buyers to target international markets where organic certification facilitates sustainable logic and is appreciated for the product's origin while promoting local indigenous knowledge, traditions and ancestral practices. These insights also influence *policy implications*. Policymakers need to develop laws and incentives based on this understanding, which allows both international and local buyers to assign value to local characteristics in the negotiation process.

Like all research, this paper has some limitations in its development. As a single-country study, the results cannot be generalised. However, we provide elements of transferability that address this limitation. In doing so, we demonstrate that the

contributions of this research are not limited to the local context but may also be useful for other countries and regions. Also, as we did not research perceptions in the buyer context, our findings are focussed on the supplier side, which is not a limitation *per se* but does not provide the full SC picture. Further research should advance the use of institutional logic to understand the interaction among different SC members towards sustainability, mainly in how recognising logic(s) can support different SCM processes. In this sense, a network can be developed where buyers and suppliers in the producing country versus buyers in the international market, a number of intermediaries and traders and the role of farmer cooperatives are part of the same research. In addition, it is relevant to see the role of certification bodies as service providers (i.e. passive vs active roles), that is, whether they speed up or slow down the pursuit of improved sustainability performance. Comparisons also can emerge from different supplier contexts from other continents, for instance.

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