

Abstract

In this thesis, we study the decision reversal and symbolic practices among sustainable suppliers in the context of sustainable food supply chains. In chapter 1, unlike previous studies that explore sustainability from a compliance approach, we deal with a hitherto unexplored but serious issue of decision reversals among small and medium sized sustainable suppliers in the lower tiers of the supply chain. Decision reversal among suppliers who discontinue adopting sustainable practices, have their associated environmental and social costs apart from economic costs. Drawing insights from group model building with participation from different stakeholders in a sustainable food supply chain from regulators, different tiers of suppliers to consumers and supported by theory, we isolated the behavioural factors that lead to decision reversal. We test the effect of these factors using vignette based experiments conducted among sustainable food suppliers in South India. We found that myopic loss aversion and reference thinking helps explain decision reversal among small and medium sustainable suppliers. The implications of our findings on theory as well as on practice are offered.

In Chapter 2, we examine the factors that lead to substantive and symbolic practices by lower-tier sustainable suppliers in the context of food supply chain. Buying firms adopt various governance mechanisms to ensure sustainability compliance among upstream suppliers. While, certification is the most popular governance mechanism used worldwide, mounting evidence indicates that there is an incongruity in sustainability efforts between what is declared by supplier firms and their actual practices. Our empirical analysis of sustainable cocoa suppliers in Kerala (a state in South India) indicate that behavioural characteristics of suppliers, specifically their attitude towards risk and ambiguity can be used to assess suppliers' tendency to adopt symbolic versus substantive sustainability postures. Risk aversion and ambiguity aversion were found to predict the sustainability posture of substantive (over symbolic) sustainability practices. Also, firm size and collaboration intensity played a significant role in supplier sustainability behaviour. The findings have important implications for academic research on sustainability, and policy implications for agencies charged with compliance with sustainability standards and guidelines. Finally, our study is beneficial for practicing managers who find it difficult to monitor sustainability compliance with respect to their supply base.

In Chapter 3, we study the multimodal decision making among decision makers which is important to understand how they assign importance to economic, social, and environmental attributes especially in a sustainability setting. We use vignette-based experiments to understand how decision makers respond to intertemporal choices under varying conditions such as riskless scenario, scenario of risk, and ambiguity. Further we use process tracing experiment using Mouselab to understand how decision makers evaluate the three dimensions in sustainability. We also study the impact of nudges used to transition suppliers between various cognition levels such as from system 1 level of thinking to system 2 level of thinking and vice-versa.