

## Navigating Ethical Dilemmas in Supply Chain Management: Insights from Practitioners

<sup>1</sup> A Sigit Pramono Hadi , <sup>2</sup> Cahyati Kumandang , <sup>3</sup> Ruslaini,  
<sup>1,2,3</sup> STIE Kasih Bangsa

Jl. Dr. Kasih No.1, Kebon Jeruk, Jakarta Barat

[sigitvt35@gmail.com](mailto:sigitvt35@gmail.com)

**ABSTRACT :** *This qualitative research study delves into the complex landscape of ethical decision-making within supply chain management, drawing insights directly from industry practitioners. With a focus on identifying, analyzing, and navigating ethical dilemmas, the study employs in-depth interviews and thematic analysis to elucidate the multifaceted challenges faced by professionals in this field. Through rich narratives and thematic synthesis, the research explores the nuanced perspectives, strategies, and coping mechanisms employed by practitioners when encountering ethical conflicts. Findings underscore the significance of fostering a culture of transparency, accountability, and ethical awareness within supply chains. Furthermore, the study sheds light on the importance of proactive measures, collaborative approaches, and continuous dialogue in addressing ethical concerns effectively. The insights gleaned offer valuable implications for both theory and practice, contributing to the ongoing discourse on ethics in supply chain management.*

**Keywords:** *Ethical decision-making, Supply chain management, Industry practitioners*

### INTRODUCTION

In today's globalized economy, supply chain management has become increasingly complex, involving intricate networks of suppliers, manufacturers, distributors, and retailers spanning across various regions and industries. Amidst this complexity, the ethical dimensions of supply chain practices have garnered significant attention from scholars, practitioners, and policymakers alike. Ethical dilemmas within supply chains, ranging from labor exploitation and environmental degradation to corruption and human rights violations, pose profound challenges to businesses and society at large (Banerjee, 2020; Carter & Rogers, 2008).

The purpose of this qualitative research study is to delve into the intricate landscape of ethical decision-making within supply chain management, drawing insights directly from industry practitioners. By exploring the perspectives, strategies, and coping mechanisms employed by professionals when encountering ethical conflicts, this study aims to contribute to a deeper understanding of how organizations navigate and address ethical dilemmas in their supply chains.

#### Motivation for the Study

The motivation behind conducting this study stems from the growing recognition of the critical importance of ethical supply chain management in today's business landscape. With increasing consumer awareness and scrutiny, organizations are under greater pressure to ensure ethical practices throughout their supply chains (Seuring & Müller, 2008). Failure to address

ethical concerns not only poses reputational risks but can also lead to legal liabilities, financial losses, and long-term damage to brand equity (Carter & Jennings, 2004).

Moreover, ethical lapses within supply chains can have far-reaching implications beyond the corporate realm, affecting the well-being of workers, communities, and the environment (Sarkis, 2013). From sweatshop labor in garment factories to deforestation for palm oil production, unethical practices in the supply chain have raised ethical, social, and environmental concerns that demand urgent attention (Brennan & Karapetrovic, 2019; Kolk, 2016).

Against this backdrop, understanding how practitioners navigate ethical dilemmas in supply chain management is crucial for developing effective strategies and interventions to promote ethical behavior and mitigate risks. By tapping into the insights and experiences of those directly involved in supply chain decision-making, this study seeks to uncover practical wisdom and best practices that can inform organizational policies, industry standards, and regulatory frameworks.

## Research Methods

This qualitative research study employs in-depth interviews as the primary method of data collection. Semi-structured interviews provide a rich and nuanced understanding of the complexities and nuances inherent in ethical decision-making within supply chains (Patton, 2015). By allowing participants to share their experiences, perspectives, and insights in their own words, this approach facilitates the exploration of diverse viewpoints and contexts surrounding ethical dilemmas in supply chain management.

The sample for this study comprises a diverse group of industry practitioners with experience in various sectors of the supply chain, including procurement, logistics, manufacturing, and distribution. Participants were selected based on their roles, responsibilities, and expertise in ethical decision-making within their respective organizations. By capturing insights from practitioners with firsthand experience in navigating ethical challenges, this study aims to provide a comprehensive and holistic understanding of the subject matter.

Data analysis for this study follows a thematic analysis approach, wherein patterns, themes, and trends are identified and interpreted from the interview transcripts (Braun & Clarke, 2006). Through a systematic process of coding, categorization, and thematic synthesis, this study seeks to uncover recurrent themes and emergent patterns related to ethical decision-making in supply chain management.

## Findings

The findings of this study shed light on the multifaceted nature of ethical dilemmas faced by practitioners in supply chain management. Themes such as conflicting priorities, stakeholder pressures, cultural differences, and institutional constraints emerge as key factors influencing ethical decision-making processes within organizations. Moreover, the study highlights the importance of organizational culture, leadership commitment, and stakeholder engagement in fostering ethical behavior and accountability throughout the supply chain.

#### **Implications and Contributions**

The insights gleaned from this study have several implications for both theory and practice in the field of supply chain management. From a theoretical standpoint, the study contributes to a deeper understanding of the dynamics and complexities of ethical decision-making processes within supply chains. By elucidating the contextual factors and situational dynamics that shape ethical behavior, this study enriches existing theories and frameworks on business ethics and supply chain management.

From a practical perspective, the findings of this study offer valuable insights and actionable recommendations for organizations seeking to enhance their ethical practices and mitigate risks within their supply chains. By highlighting the importance of transparency, accountability, and stakeholder engagement, this study provides practical guidance for practitioners and policymakers in developing ethical supply chain management strategies and interventions.

Overall, this qualitative research study aims to contribute to the ongoing discourse on ethics in supply chain management by providing a nuanced understanding of how practitioners navigate and address ethical dilemmas in their day-to-day decision-making processes. Through rich narratives and thematic analysis, this study seeks to inform organizational policies, industry standards, and regulatory frameworks to promote ethical behavior and sustainability across global supply chains.

## **LITERATURE REVIEW**

Ethical decision-making within supply chain management has emerged as a critical area of inquiry due to its implications for business sustainability, social responsibility, and stakeholder trust (Carter & Jennings, 2004; Sarkis, 2013). This section of the literature review explores the key themes, theories, and findings relevant to the study's focus on navigating ethical dilemmas in supply chain management, drawing insights from previous qualitative research studies.

Previous research has highlighted the multifaceted nature of ethical decision-making processes within supply chains, revealing the interplay of organizational, cultural, and institutional factors (Carter & Rogers, 2008; Seuring & Müller, 2008). A qualitative study by Carter and Rogers (2008) investigated sustainable supply chain management practices in a multinational corporation, uncovering the significance of organizational culture, leadership commitment, and stakeholder engagement in promoting ethical behavior. Similarly, Seuring and Müller (2008) conducted a literature review and proposed a conceptual framework for sustainable supply chain management, emphasizing the importance of integrating environmental and social considerations into supply chain practices.

Ethical dilemmas within supply chains often arise due to conflicting priorities, stakeholder pressures, and cultural differences (Banerjee, 2020; Kolk, 2016). Banerjee (2020) explored corporate social responsibility practices across industries, highlighting the tensions between economic profitability and social responsibility. Through in-depth interviews with corporate executives, the study revealed the complexities of balancing competing interests and values within organizations. Similarly, Kolk (2016) examined the social responsibility of international businesses, emphasizing the need for companies to adopt a holistic approach to CSR that encompasses environmental stewardship, ethical labor practices, and community engagement.

In addition to organizational factors, ethical decision-making in supply chain management is also influenced by external drivers such as regulatory requirements, industry norms, and stakeholder expectations (Carter & Jennings, 2004; Brennan & Karapetrovic, 2019). Carter and Jennings (2004) investigated the role of purchasing in corporate social responsibility, highlighting the importance of supplier relationships, ethical sourcing practices, and transparency in supply chain operations. Furthermore, Brennan and Karapetrovic (2019) conducted a systematic literature review on humanitarian logistics, exploring the ethical challenges and dilemmas faced by organizations in delivering aid to crisis-affected populations. Through a synthesis of qualitative studies, the authors identified key themes such as ethical decision-making, stakeholder engagement, and accountability in humanitarian supply chains.

Overall, previous qualitative research has provided valuable insights into the complexities and challenges of ethical decision-making within supply chain management. By exploring the perspectives, experiences, and strategies of practitioners, these studies have contributed to a deeper understanding of how organizations navigate and address ethical dilemmas in their supply chains. Building on this foundation, the present study aims to further

elucidate the nuances of ethical decision-making processes and generate practical recommendations for promoting ethical behavior and sustainability in supply chains.

## **METHODOLOGY**

This qualitative research study employs a phenomenological approach to explore the lived experiences, perspectives, and practices of industry practitioners in navigating ethical dilemmas within supply chain management. Phenomenology is a qualitative research method that focuses on understanding and interpreting the subjective meaning of human experiences as they are lived and perceived by individuals (Creswell & Poth, 2018).

### **Sampling and Participant Selection**

The sample for this study consists of industry practitioners with diverse backgrounds and expertise in supply chain management. Participants are selected using purposive sampling, which allows for the deliberate selection of individuals who can provide rich and informative insights into the phenomenon under investigation (Patton, 2015). Criteria for participant selection include:

**Professional experience:** Participants should have experience working in various sectors of the supply chain, including procurement, logistics, manufacturing, and distribution.

**Ethical decision-making experience:** Participants should have firsthand experience in encountering and navigating ethical dilemmas within their organizations.

**Diversity:** Efforts are made to include participants from different organizational roles, industries, and geographical locations to capture a broad range of perspectives.

### **Data Collection**

Data collection for this study primarily involves semi-structured interviews conducted with the selected participants. Semi-structured interviews offer flexibility and allow for in-depth exploration of participants' experiences, perspectives, and practices related to ethical decision-making in supply chain management (Fontana & Frey, 2005).

**Interview Protocol Development:** An interview protocol is developed based on the research objectives and theoretical framework of the study. The protocol includes a set of open-ended questions designed to elicit detailed responses from participants regarding their experiences with ethical dilemmas in supply chain management.

**Interview Process:** Interviews are conducted either in person or via video conferencing, depending on participants' preferences and logistical considerations. Each interview session lasts approximately 60-90 minutes and is audio-recorded with participants' consent.

### **Data Analysis**

Data analysis for this study follows a thematic analysis approach, wherein patterns, themes, and trends are identified and interpreted from the interview transcripts (Braun & Clarke, 2006). Thematic analysis involves several iterative steps:

**Familiarization:** Researchers immerse themselves in the data by reading and re-reading the interview transcripts to gain a comprehensive understanding of the content.

**Coding:** Data are systematically coded to identify recurring patterns, concepts, and categories related to ethical decision-making in supply chain management.

**Theme Development:** Codes are organized into broader themes and sub-themes that capture the essence of participants' experiences and perspectives.

**Interpretation:** Themes are interpreted in relation to the research objectives, theoretical framework, and existing literature to generate meaningful insights and conclusions.

#### Trustworthiness and Rigor

To ensure the trustworthiness and rigor of the study findings, several strategies are employed:

**Member checking:** Participants are given the opportunity to review and validate the findings to ensure accuracy and credibility.

**Peer debriefing:** The research team engages in ongoing discussions and reflections to critically examine the data, interpretations, and conclusions.

**Thick description:** Detailed descriptions of the research context, methodology, and findings are provided to enhance transparency and transferability of the study.

#### Ethical Considerations

Ethical considerations are paramount throughout the research process. Informed consent is obtained from all participants, and their confidentiality and anonymity are strictly maintained. The study adheres to ethical guidelines and regulations governing research involving human subjects (Creswell & Creswell, 2017).

#### Conclusion

By employing a phenomenological approach and semi-structured interviews, this qualitative research study aims to provide a rich and nuanced understanding of how industry practitioners navigate ethical dilemmas in supply chain management. Through rigorous data collection and analysis, the study seeks to uncover key themes, insights, and recommendations that can inform organizational practices, industry standards, and regulatory frameworks to promote ethical behavior and sustainability within supply chains.

## **RESULTS**

The qualitative research conducted for this study involved in-depth interviews with industry practitioners from various sectors of the supply chain, including procurement, logistics, manufacturing, and distribution. A diverse sample of participants was selected based on their roles, responsibilities, and expertise in ethical decision-making within their respective organizations.

Upon analysis of the interview data, several key themes and insights emerged regarding the navigation of ethical dilemmas in supply chain management:

**Conflicting Priorities:** Participants highlighted the challenge of balancing competing interests and priorities within the supply chain. Pressures to minimize costs, meet deadlines, and maximize profits often conflicted with ethical considerations such as fair labor practices, environmental sustainability, and social responsibility.

**Stakeholder Pressures:** Respondents noted the influence of various stakeholders, including customers, shareholders, regulators, and advocacy groups, on ethical decision-making processes. Balancing the demands and expectations of different stakeholders while upholding ethical standards posed significant challenges for organizations.

**Cultural Differences:** Cultural factors played a significant role in shaping ethical attitudes and behaviors within supply chains. Participants highlighted the importance of cultural sensitivity and awareness in navigating ethical dilemmas, particularly in global supply chain contexts where cultural norms and values vary across regions and countries.

**Institutional Constraints:** Organizational structures, policies, and procedures were identified as both facilitators and barriers to ethical decision-making. Bureaucratic hurdles, hierarchical structures, and rigid governance frameworks sometimes hindered practitioners' ability to respond effectively to ethical concerns.

**Strategies and Coping Mechanisms:** Despite the challenges, participants discussed various strategies and coping mechanisms employed to navigate ethical dilemmas in supply chain management. These included proactive risk assessment, stakeholder engagement, cross-functional collaboration, and ethical training and education programs.

Overall, the findings highlight the complexity and multifaceted nature of ethical decision-making processes within supply chains. While practitioners face numerous challenges and constraints, they also demonstrate resilience, creativity, and a commitment to upholding ethical values and principles in their day-to-day operations.

These results contribute to a deeper understanding of how organizations navigate and address ethical dilemmas in their supply chains. By uncovering the perspectives, strategies, and

coping mechanisms employed by practitioners, this research provides valuable insights for enhancing ethical practices and promoting sustainability across global supply chains.

## **DISCUSSION**

The qualitative research conducted in this study offers valuable insights into the complexities and challenges of ethical decision-making within supply chain management. By exploring the perspectives, strategies, and coping mechanisms employed by industry practitioners, this research contributes to a deeper understanding of how organizations navigate and address ethical dilemmas in their supply chains. In this discussion, we will delve into the implications of the findings, compare them with previous qualitative research studies, and explore avenues for future research.

### **Implications of the Findings:**

The findings of this study underscore several key implications for theory and practice in the field of supply chain management. Firstly, the identification of conflicting priorities highlights the need for organizations to balance economic objectives with ethical considerations. This aligns with previous research by Banerjee (2020), who emphasized the tension between economic profitability and social responsibility. Organizations must recognize the importance of integrating ethical values into their decision-making processes to mitigate risks and uphold their social license to operate.

Secondly, the influence of stakeholder pressures on ethical decision-making resonates with findings from Carter and Jennings (2004), who investigated the role of purchasing in corporate social responsibility. Stakeholders, including customers, shareholders, regulators, and advocacy groups, exert significant influence on organizational behavior and priorities. By engaging with stakeholders and addressing their concerns transparently, organizations can build trust and credibility, enhancing their reputation and brand value.

Thirdly, the impact of cultural differences on ethical behavior within supply chains highlights the importance of cultural sensitivity and awareness. This aligns with Seuring and Müller's (2008) conceptual framework for sustainable supply chain management, which emphasizes the need to consider cultural factors in decision-making processes. Organizations operating in diverse cultural contexts must adapt their ethical standards and practices accordingly, fostering a culture of inclusivity and respect.

Furthermore, the identification of institutional constraints points to the role of organizational structures, policies, and procedures in shaping ethical behavior. This echoes findings from Brennan and Karapetrovic (2019), who explored humanitarian logistics and



identified bureaucratic hurdles and hierarchical structures as barriers to ethical decision-making. To overcome institutional constraints, organizations must foster a supportive environment that encourages open communication, collaboration, and ethical leadership.

Lastly, the strategies and coping mechanisms employed by practitioners highlight the importance of proactive risk management and stakeholder engagement. This aligns with Sarkis's (2013) perspective on green supply chain management, which emphasizes the need for proactive measures to address environmental and social risks. By implementing robust risk assessment processes, engaging with stakeholders, and fostering a culture of ethical awareness, organizations can enhance their resilience and sustainability in the face of ethical dilemmas.

#### Comparison with Previous Research:

Comparing the findings of this study with previous qualitative research studies reveals both consistencies and nuances in the understanding of ethical decision-making within supply chains. Carter and Rogers (2008) emphasized the role of organizational culture and leadership commitment in promoting ethical behavior, findings that are echoed in the present study. Similarly, Kolk (2016) highlighted the importance of adopting a holistic approach to corporate social responsibility, encompassing environmental stewardship, ethical labor practices, and community engagement, aligning with the multifaceted nature of ethical dilemmas identified in this study.

However, the present study offers additional insights into the strategies and coping mechanisms employed by practitioners to navigate ethical dilemmas in supply chain management. While previous research has focused primarily on identifying ethical challenges and barriers, this study delves deeper into the practical wisdom and best practices adopted by practitioners. By uncovering the nuanced perspectives and strategies of industry professionals, this research contributes to a more comprehensive understanding of ethical decision-making processes within supply chains.

#### Future Research Directions:

Building on the findings of this study, several avenues for future research can be identified. Firstly, longitudinal studies could investigate the effectiveness of ethical interventions and initiatives implemented by organizations over time. By tracking changes in organizational culture, behavior, and performance, researchers can assess the long-term impact of ethical practices on business outcomes and stakeholder perceptions.

Secondly, comparative studies across industries and regions could provide insights into the contextual factors influencing ethical decision-making within supply chains. By exploring

variations in cultural norms, regulatory environments, and industry dynamics, researchers can identify common challenges and best practices that transcend organizational boundaries.

Furthermore, interdisciplinary research incorporating insights from fields such as psychology, sociology, and ethics could enrich our understanding of the psychological and social factors influencing ethical behavior. By integrating theoretical perspectives and methodologies from diverse disciplines, researchers can develop a more holistic and nuanced understanding of ethical decision-making processes within supply chains.

#### Conclusion:

In conclusion, the qualitative research conducted in this study sheds light on the complexities and challenges of ethical decision-making within supply chain management. By exploring the perspectives, strategies, and coping mechanisms employed by practitioners, this research contributes to a deeper understanding of how organizations navigate and address ethical dilemmas in their supply chains. The findings underscore the importance of fostering a culture of transparency, accountability, and ethical awareness within organizations to promote sustainable and responsible supply chain practices. Moving forward, further research is needed to explore the long-term impact of ethical interventions, comparative studies across industries and regions, and interdisciplinary approaches to understanding ethical decision-making in supply chains.

## CONCLUSION

The qualitative research study on navigating ethical dilemmas in supply chain management provides valuable insights into the complexities and challenges faced by practitioners in the field. Through in-depth interviews and thematic analysis, this study uncovered various themes and perspectives related to ethical decision-making processes within supply chains.

The findings of the study highlight the multifaceted nature of ethical dilemmas within supply chain management, including conflicting priorities, stakeholder pressures, cultural differences, and institutional constraints. Despite these challenges, practitioners demonstrate resilience and creativity in navigating ethical dilemmas, employing strategies such as proactive risk assessment, stakeholder engagement, and cross-functional collaboration.

Moreover, the study underscores the importance of fostering a culture of transparency, accountability, and ethical awareness within supply chains. Organizational culture, leadership commitment, and stakeholder engagement emerge as critical factors in promoting ethical behavior and sustainability across global supply chains.

Overall, the insights gleaned from this study contribute to a deeper understanding of how organizations navigate and address ethical dilemmas in supply chain management. By shedding light on practitioners' perspectives, strategies, and coping mechanisms, this research provides valuable guidance for enhancing ethical practices and promoting sustainability within supply chains.

## **LIMITATIONS**

Despite its contributions, this qualitative research study has several limitations that should be acknowledged. Firstly, the study's findings are based on a relatively small sample of industry practitioners, which may limit the generalizability of the results. Future research could benefit from a larger and more diverse sample to capture a broader range of perspectives and experiences.

Secondly, the study focuses primarily on practitioners' perspectives, which may overlook other stakeholders' viewpoints, such as consumers, NGOs, and government agencies. Incorporating multiple perspectives could provide a more comprehensive understanding of ethical dilemmas within supply chains.

Additionally, the study relies on self-reported data from participants, which may be subject to biases and social desirability effects. Future research could employ additional methods, such as observational studies or document analysis, to triangulate findings and enhance the validity of the results.

Furthermore, the study's focus on qualitative methods may limit its ability to quantitatively assess the prevalence and impact of ethical dilemmas within supply chains. Combining qualitative insights with quantitative data could provide a more holistic understanding of the phenomenon.

Finally, the study's scope is limited to exploring ethical dilemmas within supply chain management, without delving into specific industry sectors or geographical regions. Future research could examine how ethical challenges vary across different industries, cultures, and contexts, providing more targeted insights and recommendations for practitioners.

Despite these limitations, this qualitative research study contributes valuable insights to the ongoing discourse on ethics in supply chain management. By uncovering practitioners' perspectives and experiences, this research informs organizational policies, industry standards, and regulatory frameworks aimed at promoting ethical behavior and sustainability across global supply chains.

## REFERENCES

- Banerjee, S. B. (2020). *Corporate social responsibility: The good, the bad and the ugly*. Cheltenham, UK: Edward Elgar Publishing.
- Braun, V., & Clarke, V. (2006). *Using thematic analysis in psychology*. *Qualitative Research in Psychology*, 3(2), 77-101.
- Brennan, D., & Karapetrovic, S. (2019). *Humanitarian logistics in the age of sustainability: A systematic literature review*. *Journal of Humanitarian Logistics and Supply Chain Management*, 9(2), 197-225.
- Carter, C. R., & Jennings, M. M. (2004). *The role of purchasing in corporate social responsibility: A structural equation analysis*. *Journal of Business Logistics*, 25(1), 145-186.
- Carter, C. R., & Rogers, D. S. (2008). *A framework of sustainable supply chain management: Moving toward new theory*. *International Journal of Physical Distribution & Logistics Management*, 38(5), 360-387.
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage Publications.
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches*. Sage Publications.
- Fontana, A., & Frey, J. H. (2005). *The interview: From structured questions to negotiated text*. In N. K. Denzin & Y. S. Lincoln (Eds.), *The Sage handbook of qualitative research* (3rd ed., pp. 695-727). Sage Publications.
- Kolk, A. (2016). *The social responsibility of international business: From ethics and the environment to CSR and sustainable development*. *Journal of World Business*, 51(1), 23-34.
- Patton, M. Q. (2015). *Qualitative research & evaluation methods: Integrating theory and practice*. Thousand Oaks, CA: Sage Publications.
- Sarkis, J. (2013). *A boundaries and flows perspective of green supply chain management*. *Supply Chain Management: An International Journal*, 18(5), 520-531.
- Seuring, S., & Müller, M. (2008). *From a literature review to a conceptual framework for sustainable supply chain management*. *Journal of Cleaner Production*, 16(15), 1699-1710.