Supplier diversity journey: an empirical investigation

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Abstract

Purpose – This paper aims to investigate how purchasing organizations implement supplier diversity (SD) initiatives over time.

Design/methodology/approach – A multiple case study approach was conducted. Data were collected through in-depth interviews with participants from purchasing organizations, intermediary organizations and diverse suppliers.

Findings – The research suggests that the SD journey encompasses three different, but interrelated stages before full implementation is achieved: structuring, operation and adaptation. The findings also provide evidence that SD implementation in Brazil is highly influenced by the lack of a consistent knowledge base and the lack of legitimized intermediary organizations.

Research limitations/implications – Using a temporal approach to understand how different practices suggested by the literature have been managed by practitioners over time, this study contributes to the understanding of the path to effective SD implementation and how intra- and interorganizational context influences this journey.

Practical implications – By identifying which practices should be adopted during different phases of SD implementation and proposing ways to overcome some of the inherent challenges, managers can better plan and allocate resources for the adoption of a successful SD initiative.

Social implications – This research demonstrates how organizations can promote diversity and reduce social and economic inequalities by buying from diverse suppliers.

Originality/value – Using a temporal approach, the research empirically investigates how different purchasing organizations have implemented and managed the known practices and dealt with the challenges faced when trying to adopt SD.

Keywords Diversity and inclusion, Sustainable supply chain, Social procurement, Qualitative research, Emerging country

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1. Introduction

Supplier diversity (SD) is an initiative taken by large purchasing organizations (LPOs) to promote greater diversity in the supply chain by increasing corporate spending on diverse suppliers (Adobor & McMullen, 2007; Blount & Li, 2021; Sordi, Tate, & Huang, 2022). Diverse suppliers are typically defined as suppliers owned (51% or more) by women (racial/ethnic) minorities, immigrants, veterans, disabled people or other disadvantaged groups (Blount & Li, 2021; Sordi et al., 2022; Van Hoek, Lebigot, Bagot, & Sexton, 2023). This definition varies internationally, depending on the context and the history of the country (Silva, Ruel, & Sousa-Filho, 2023; Sordi *et al.*, 2022; Van Hoek *et al.*, 2023).

The debate on SD is not new (Sordi *et al.*, 2022; Van Hoek *et al.*, 2023). SD initiatives have been implemented in the USA for many years, and SD policies and practices were then transferred to different countries with few adaptations (Orser, Liao, Riding, Duong, & Catimel, 2021; Ram, Theodorakopoulos, & Worthington, 2007; Van Hoek *et al.*, 2023). Previous literature (e.g. Adobor & McMullen, 2007, Blount & Li, 2021; Miguel & Tonelli, 2023) has largely explored the barriers to implementing SD and best practices for its successful implementation.

SD implementation and how it is affected by internal and external factors has, however, received less attention from academics (Van Hoek *et al.*, 2023). There is a need to understand how LPOs change their traditional procurement policies to incorporate social issues and become more inclusive (Razmdoost & Alinaghian, 2023; Sordi *et al.*, 2022). As a strategy adopted by the purchasing area to promote diversity beyond the organization (Miguel & Tonelli, 2023; Razmdoost & Alinaghian, 2023; Silva *et al.*, 2023), SD is a social sustainability initiative. Implementing sustainable supply chains, though, is a complex and evolutionary process, that is subject to both external and internal challenges (Roy, Schoenherr, & Charan, 2020; Silvestre, 2015). "It is not a destination, but a journey, where trajectory and time matter" (Silvestre, 2015, p. 157). Cascading sustainability throughout the supply chain is even more challenging as procurement is normally excluded from sustainability discussions and training (Villena, 2019) and needs to change its traditional focus from cost to value-added (Silva *et al.*, 2023; Sordi *et al.*, 2022; Van Hoek *et al.*, 2023).

In this sense, rather than just listing the practices required to implement SD, it is necessary to understand how it is adopted and the extent to which it influences the whole process and its outcome (Carter, Kosmol, & Kaufmann, 2017; Janssens & Steyaert, 2019). It is also important to explore the temporal dynamics of adopting these practices (Carter *et al.*, 2017).

This study aims to fill these gaps by answering the research question:

RQ1. How do buyers implement SD over time?

To accomplish this purpose, a multiple case study was conducted in Brazil, which is a good context in which to explore SD initiatives, as there are huge economic and social disparities between large LPOs and diverse suppliers (Miguel & Tonelli, 2023) and in terms of gender and classes (Cavalcanti, 2021). Besides, Brazil has no regulations for boosting SD that could result in less engagement from LPOs (Miguel & Tonelli, 2023). In this study, a supply chain practice view (Carter *et al.*, 2017) was adopted to understand how practices are adopted by practitioners (Janssens & Steyaert, 2019), and the practices that have the largest impact on SD implementation (Carter *et al.*, 2017).

This research makes several contributions. First, by using a temporal approach and a practice view, our findings revealed the sequence of actions adopted by practitioners in implementing SD. Our insights shed light on how repeated actions become (or not) rooted in the daily routines of LPOs (Janssens & Steyaert, 2019; Silva & Figueiredo, 2017). Second, by

understanding the internal and external factors that hinder the SD adoption and integrating this into the debate on diversity and inclusion (D&I), our results contribute to the understanding of the difficulties LPOs face when trying to buy from diverse suppliers and indicate potential ways to transition to a more inclusive mindset. Finally, the findings also provide new insight into how the maturity of intermediary organizations (IOs) can jeopardize the SD journey.

2. Theoretical background

2.1 Supplier diversity

To promote D&I beyond the organization, procurement can select, develop and monitor diverse suppliers, i.e. implement an SD initiative (Blount & Li, 2021; Sordi et al., 2022; Silva et al., 2023). By creating opportunities for traditionally underrepresented suppliers, SD programs promote social and economic development and reduce overall inequalities (Adobor & McMullen, 2007; Sordi et al., 2022; Van Hoek et al., 2023).

Previous literature discusses different best practices for successful SD implementation. In designing this initiative, it is important to have a clear view of what SD should be and how it is aligned with the corporate strategy (Adobor & McMullen, 2007; Blount, Seetharaman, & Brown, 2018). A supportive organizational culture (Theodorakopoulos, Ram, & Kakabadse, 2015; Razmdoost & Alinaghian, 2023; Whitfield & Landeros, 2006) and top management support (Theodorakopoulos et al., 2015; Van Hoek et al., 2023) are key to engaging the procurement team. A clear implementation plan (Adobor & McMullen, 2007; Van Hoek et al., 2023), and training and education for the team (Adobor & McMullen, 2007; Edmondson, Suh, & Munchus, 2008; Van Hoek et al., 2023) are also required. It is important to have budget, program leadership and autonomy (Min, 2009; Van Hoek et al., 2023). New procurement policies should be developed considering economic and social metrics (Blount et al., 2018; Silva et al., 2023; Van Hoek et al., 2023). Certification and auditing processes can legitimize SD initiatives (Adobor & McMullen, 2014; Pan, Hill, Blount, & Rungtusanatham, 2022).

To recruit diverse suppliers, LPOs might rely on internal and external communication (Adobor & McMullen, 2007; Blount et al., 2018), participation in fairs and events that promote these suppliers (Adobor & McMullen, 2007; 2014; Min, 2009) and association with IOs (Adobor & McMullen, 2014; Pan et al., 2022). Finally, an SD program needs to build collaborative, fair and long-term relationships with diverse suppliers (Adobor & McMullen, 2007; Lashley & Pollock, 2020). Buyers may offer a mentoring program to provide counseling and technical support to assist diverse suppliers (Adobor & McMullen, 2007; Min, 2009).

This literature, though, is limited as it only addresses best practices, and does not consider the difference between organizations (Silva, Fritz, & El-Garaihy, 2022). Practices are not merely activities, they are dependent on the context (Cavalcanti, 2021; Silva et al., 2022). Regulations, local policies, corporate engagement, stakeholders' expectations (Ram et al., 2007; Worthington, 2009) and the location of the LPO trying to adopt it (Van Hoek et al., 2023), have influence on SD adoption. Thus, it is important to explore how different LPOs implement and manage these practices in real life (Janssens & Steyaert, 2019) and understand which conditions enable or deter them from doing so (Carter et al., 2017). Otherwise, the potential outcomes of SD might not be fully achieved when trying to scale up the initiative (Van Hoek et al., 2023).

2.2 Implementation of sustainable supply chains

Implementing sustainable supply chains is a complex and evolutionary process (Silvestre, 2015; Touboulic, Matthews, & Marques, 2018; Roy et al., 2020), which is highly influenced by the

external environment (Cormack, Thomé, & Silvestre, 2021; Silvestre, 2015) and internal forces (Roy *et al.*, 2020). In this process, the organization first needs to understand and reduce the conflicts between existing and new policies, then legitimize any change before finally spreading it across the organization (Razmdoost & Alinaghian, 2023).

The path to implementing sustainable practices follows different phases. Organizations need to structure the initiative, design a proper strategy and understand the different alternatives involved in this implementation. The initiative is then implemented and spread throughout the organization (Nair *et al.*, 2016; Touboulic *et al.*, 2018; Cormack *et al.*, 2021). This transition from traditional operations to a new mode requires multiple learning loops and adaptation (Cormack *et al.*, 2021; Silvestre, 2015; Touboulic *et al.*, 2018; Roy *et al.*, 2020). For this reason, many organizations continue to struggle to implement a sustainable supply chain (Omar, Kirchoff, Russo, & Gligor, 2022).

Implementing D&I practices is, similarly, not a simple task. As an ongoing process (Burnett & Aguinis, 2023; Riccò & Guerci, 2014), D&I are only promoted by way of multiple positive interactions and learning (Bernstein, Bulger, Salipante, & Weisinger, 2020; Heinze & Soderstrom, 2023). Despite this, the literature on SD has not explored this evolutionary process.

3. Methodology

To accomplish the research goals, a multiple case study approach was conducted that enabled comparison and increased reliability (Miles, Huberman, & Saldaña, 2013). A qualitative case study is appropriate for studying new phenomenon and the existing dynamics in the context in which it occurs (Eisenhardt & Graebner, 2007; Ketokivi & Choi, 2014; Razmdoost & Alinaghian, 2023). The unit of analysis in this research was the practices adopted by LPOs and in their relationships with IOs and diverse suppliers (*Online Supplementary* file provides a complete map of the stages involved in the methodology).

3.1 Sampling

Theoretical sampling was used to select the cases. Two criteria were adopted: the LPO should have an SD initiative and should have operations in Brazil, which helped controlling external variables, such as size, language, legal systems and economic environment (Miles *et al.*, 2013). These criteria might limit the understanding of other initiatives LPOs were conducting to disseminate D&I in their supply chains (Van Hoek *et al.*, 2023) and do not allow for cross-country analysis (Omar *et al.*, 2022). It allowed, however, the comparison and contrast of different initiatives in Brazil, a less explored context, which enable advancing the theory.

Three LPOs were selected. Case 1 is a multinational chemical company that has had a local SD initiative since 2015. Its initial focus was on selecting minority-owned suppliers (racial/ethnic) and so it became associated with IO_1. Case 2 is also a multinational chemical organization, which started its global SD program in 2018. The local project leader was responsible for launching the SD program in Latin America. Case 2 is associated with a global IO, focused on women-owned suppliers (IO_2). Case 3 is a multinational consultancy company that has had a global SD initiative since 2019 and started to implement SD in Latin America in 2020. Case 3 also became associated with IO_2 in Brazil. Despite their similarities, the three cases differed in their SD strategy and structure, thereby increasing the heterogeneity of the interviews.

3.2 Data collection
Data were collected in two stages: (1) in-depth interviews were conducted during 2020 and 2021 to understand the SD implementation since its beginning; and (2) in 2022 to assess how the initiative had progressed. This was important for understanding the temporal approach to implementation of practices (Janssens & Steyaert, 2019). Two interview protocols (Appendixes I and II – online supplementary files) were developed based on the existing literature.

To avoid having a single perspective based on LPOs, data was triangulated by interviewing three IOs and five diverse suppliers. In total, 32 interviews were conducted by videoconference (Table 1). When authorized, interviews were recorded and transcribed. When this was not possible, extensive field notes were taken.

3.3 Data analysis
Data analysis followed an abductive approach (Ketokivi & Choi, 2014). Individual interviews were initially codified, based on the existing literature, in terms of practices (activities, who and how). A temporal approach was also used during the codification. These codes were iteratively compared to literature and grouped in categories. In a second step, a within case analysis was carried out to compare and contrast codes between the participants in each LPO and the perspectives of the IOs and the diverse suppliers. Finally, in the cross-case analysis, the analysis checked for similarities and variations across cases. Based on data analysis, the results are presented in terms of *structuring, operations and adaptation.*

Structuring refers to the set-up phase and includes both strategy design and preparation for implementation (Nair *et al.*, 2016). *Operations* relate to LPOs effectively trying to identify and recruit diverse suppliers. Besides these practices, barriers faced by practitioners during this phase were also included in this dimension. *Adaptation* refers to new practices adopted by LPOs to overcome some of the challenges identified in the previous phase and continue with SD implementation. As SD was not fully implemented in any case, there was no evidence of the *sustaining* phase proposed by Cormack *et al.* (2021). The final data structure is presented in Figure 1.

To ensure rigor during the research, different robustness checks (confirmability, reliability, internal validity and external validity) were performed, following Miles *et al.* (2013). Confirmability was improved by ensuring that all data collection and analysis were properly documented and described. Reliability was enhanced through the use of protocols and systematic procedures throughout the different research stages, triangulation of respondents (multiple informants at LPOs, IOs and diverse suppliers), iterative discussion during the codification process and multiple observers during data collection. Internal validity was guaranteed by the multiple case approach and the selection of heterogeneous sampling. Moreover, during data analysis, rival explanations were considered to explain the findings. Finally, to ensure transferability of the results, multiple cases were selected to provide both comparison and contrast. To confirm the consistency of the findings, the research team participated in SD events and validated the results.
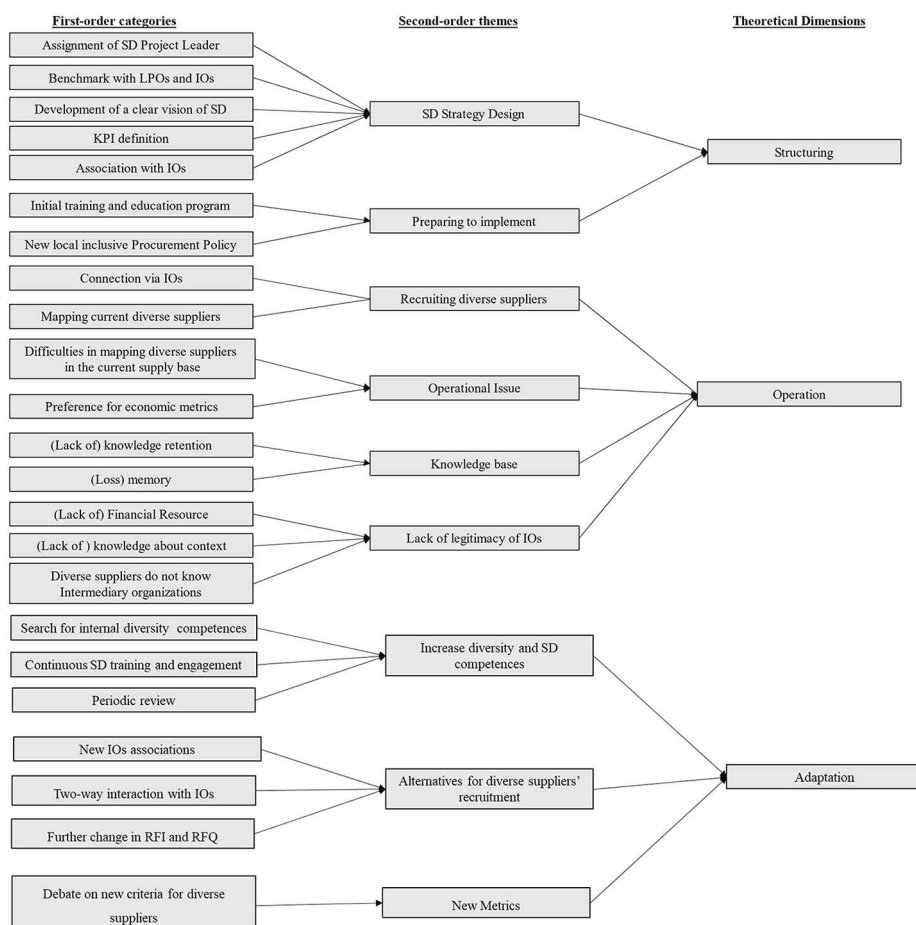
4. Results and interpretation
4.1 Structuring
In the structuring phase, all three cases followed the guidelines proposed by Riccò & Guerci (2014, p. 238) to design an SD strategy: framing an SD vision and defining "who" should be involved (*definition of project leader*), "what" diversities would be managed (*which diverse supplier to target*) and "how" they should be managed (*association with IOs* and *change in procurement policy*). To develop a clear view of the SD and understand how to

Case	Description	Interviewee role/business function	2020	2021	2022
Case 1 – B1	Chemical manufacturer	Governance and Controlling Coordinator (B1_1)[a]	X	X	X
		Governance and Controlling Manager (B1_2)	X		
		Sustainability Consultant[b] (B1_3)	X		
		Direct Material Procurement Manager (B1_4)	X		
		Indirect Material Procurement Manager (B1_5)	X		
		Diverse Supplier (DS_1)[c]	X		X
Case 2 – B2	Chemical manufacturer	Logistics Sourcing Manager (B2_1)[d]	X		
		Direct Material Sourcing Leader (B2_2)	X		
		Corporate Services Sourcing Manager (B2_3)[e]	X		X
		Service Sourcing Manager (B2_4)	X		
		Diverse Supplier (DS_2)	X		
		Diverse Supplier (DS_3)			X
		Diverse Supplier (DS_4)			X
		Diverse Supplier (DS_5)			X
Case 3 – B3	Consultant company	Senior Latam HR and Marketing Procurement Manager (B3_1)[f]		X	X
		D&I Southern Latin America Associate Director (B3_2)		X	
		ESG Procurement Director (B3_3)		X	
		Real Estate Leader (B3_4)		X	X
		Procurement Travel Leader (B3_5)		X	
		Southern Latin America Supervising Associate (Travel, Meetings & Events) (B3_6)		X	
Additional interviews	Intermediary organizations	Local NGO (MBE[g]) (Institutional Relations Manager) – (IO_1_1)	X		X
		International NGO (WBE[h]) (Latam Leader) –(IO_2_1)			
		International NGO (WBE) (South Cone Market Leader) (IO_2_2)	X		X
		Local NGO (WBE) (Co-CEO) – (IO_3_1)			X

Notes: [a]Current SD Project Leader; [b]Former SD Project Leader; [c]Current SD Project Leader for Latin America; [d]SD Project Leader for Latin America; [e]Current SD Project Leader; [f]ESG Project Leader; [g]MBE = minority-owned enterprises; [h]WBE = women-owned enterprises
Source: Created by the authors

Table 1.
Interviewees' profiles

First-order categories   **Second-order themes**   **Theoretical Dimensions**

Source: Created by the authors

implement SD, these project leaders benchmarked with different IOs, other LPOs and other units of the same company abroad:

> "[. . .] my role was to lead these efforts [. . .] understand what SD is, what a diverse supplier is, who certifies them and why[. . .]." (B2_1)

> "[. . .] we were inspired by the program of (another LPO), [. . .] we knew they were very strong in D&I." (B1_1)

Diverse suppliers were defined based on their ownership (51% or more) and LPOs became associated with an IO that could certify them. While B1 adopted a local SD initiative with IO_1 (racial-, indigenous- and disabled-owned suppliers), B2 and B3 followed global guidelines and became associated with IO_2, an international NGO focused on women-owned enterprises, that is also present in other countries in the region.

Despite following a global program, B2 and B3 differ in terms of the autonomy of their local leaders. B3 had a centralized structure, with traditional transference flows from headquarter to local subsidiary, whereas in B2 more autonomy to conduct local activities was perceived. da Fonseca & Kogut (2023) classified these approaches as global and transnational approaches, respectively. A centralized and global program helped "*standardize the process*" (B3_3) and having a financial budget. Nevertheless, it delayed the SD implementation due to the need for global approval. This is in line with da Fonseca & Kogut (2023), which argued that a top-down approach could limit D&I knowledge co-creation.

To explain the SD initiative, its targets and how buyers could identify and recruit diverse supplier, a training and education program, with the participation of IOs, was developed. Changes to a more inclusive procurement policy were also reported, which included a new step to include diverse suppliers in the bidding process and incorporation of social and economic metrics:

> "There was a workshop with the buyers [. . .] the first presentation presented what (SD) was." (B1_4)

> "We worked so that the purchasing group understood that they should invite diverse suppliers to bid, [. . .]." (B2_2)

It is important to highlight that during the structuring stage, just a few participants, such as the top leadership or the project leaders, were involved in the SD initiative. The whole procurement team did not have an active engagement, except for attending the education programs.

4.2 Operations

To recruit diverse suppliers, LPOs could either map such suppliers in their current supply base or search for new suppliers in the IOs database, but "*nothing worked by the initial plan*" (B1_3) and "*[. . .] it wasn't moving as quickly as we wanted to.*" (B2_1).

Regarding operational issues, buyers complained about the difficulty in identifying diverse suppliers in their supplier list due to ethical and legal aspects as they "*cannot ask the supplier directly if he or she is diverse.*" (B2_1). Buyers also believed that diverse suppliers should compete on cost and technical conditions such as those of traditional suppliers, because "*no one is willing to pay more*" (B3_1). They had to follow compliance rules and select suppliers that have an overall rating in all criteria, as these suppliers could not be favored over others merely because they were diverse.

The second barrier identified in the data analysis referred to the (lack of) knowledge base. Buyers had difficulty converting the information assimilated in the training into their regular routines. According to B3_5 and B3_6, their daily activities did not allow them to learn more about D&I, as "*SD is not the core of the buyer activity.*" (B2_3). Moreover, there is a turnover in the procurement team. As some buyers did not participate in the initial education programs, there was no knowledge about SD:

> "I had on paper [. . .], but, in practice, I didn't exactly have much idea of what and how to do it in a supplier contract." (B2_4)

> "[. . .] they'll put somebody in place and then two years later, they're gone. . .(the knowledge/is) embedded in some other organization [. . .]." (B3_1)

These results suggested that previously acquired knowledge was either forgotten or not used, i.e. "unlearned" (Feeney, Grohnert, Gijselaers, & Martens, 2023; Silvestre, Silva, Cormack, & Thome, 2020) and that a common knowledge base (tacit and explicit) (Roy *et al.*, 2020) about SD

was not established. Indeed, there was no efficient learning, that occurs through repeated actions (Silva & Figueiredo, 2017) and should take place in all phases of the sustainability journey (Cormack *et al.*, 2021; Silvestre *et al.*, 2020).

An additional barrier was the lack of legitimacy of IOs, which struggle to have a consistent and robust database for different reasons. While IO_1 had to deal with resources scarcity, IO_2 tried to replicate global procedures and certification costs and was unwilling to translate websites and policies, which discouraged suppliers from registering and becoming certified. The lack of resources (Peng, Jia, & Doherty, 2022) and the lack of local expertise (Van Wijk, van Wijk, Drost, & Stam, 2020) may affect the ability of IOs to properly recruit diverse suppliers and design a proper strategy and process for connecting them to LPOs:

"[...] there is a difficulty in terms of resources, [...]." (IO1_1)

"[...] IO2 did not understand the peculiarities of the (local) entrepreneurs." (IO3_1)

Many diverse suppliers did not know any IOs or rely on them. As explained by DS_4, *"(B2) asked [...]. I signed up for IO_2, but I honestly didn't understand how it works."* Not all suppliers perceived the benefit of becoming certified due to its high costs. Moreover, as suppliers do not perceive an increase in the market access to large buying organizations, IOs lacked credibility among them.

It is during the operations phase that the SD initiative is spread across the organization. The data, though, revealed that during this phase, buyers were challenged to incorporate both economic and social metrics in their procedures and argued that the agenda has not moved on due to compliance issues. In this study, all cases faced difficulties to reduce the unbalanced tensions between economic and noneconomic criteria (Razmdoost & Alinaghian, 2023; Roy, 2018), which limited the SD implementation.

4.3 Adaptation

To overcome the difficulties faced in the operations phase, all three cases recognized the need to adapt and searched for its own internal ways to proceed with SD implementation. "*To keep commitment (to SD)*" (B2_1) and "*repeatedly remind (the buyer) that you have this agenda*" (B3_1), all cases invested in continuous SD training sessions. To boost suppliers' recruitment, all cases became associated with new IOs (IO1 or IO2) and started negotiations with a third IO that focused on LGBTQ+ entrepreneurs.

In B1, the new education program was offered to a broader audience including internal users and current suppliers. D&I specialists from IOs and diverse suppliers discussed the importance of the topic and the benefits of having an SD program. B1_1 also started to cooperate with the corporate diversity team, which "*already has this (D&I) expertise.*" Periodic monitoring and evaluation meetings were implemented in B3 to "*report how much is being done and what the goals are.*" (B3_1)

In collaboration with B2 and B3, IO_2 certified diverse suppliers from their current list of suppliers. B1 and B2 also actively sought for diverse suppliers for all their new goods or service requirements in partnership with IOs. In B2, new questions about ownership and D&I were included in its procurement processes. Buyers were also carrying out their own search for new diverse suppliers:

"[...] the purchasing manager inform me of his bid planning [...] and then IO_1 will try [...] to find a supplier (not associated with it.)" (B1_1)

"[...] (the buyer from B2) found me on linkedin, I posted a photo of me and my sisters in front of a truck and [...], he sent me a message." (DS_4)

To avoid frustration, a new metric was introduced in all cases to measure how many diverse suppliers were included in the bidding process, as *"the range of (diverse) companies was not increasing so much"* (B1_4). There were also internal discussions about the most appropriate metric to measure D&I in the supply chain, the need for certification (in B3) and the criteria of classifying diverse suppliers based on ownership (B1).

The adjustments made by LPOs were examples of the incorporation efforts (Roy *et al.*, 2020) to continue with the SD implementation. They could also be thought as a learning process, in which, practitioners are making sense of their actions and tools to incorporate SD in their daily activities (Janssens & Steyaert, 2019; Silva & Figueiredo, 2017). Thus, this study highlights that recurrent adaptations should occur just after implementing different activities as in a continuous D&I process (Burnett & Aguinis, 2023; Riccò & Guerci, 2014).

5. Discussion
In this section, the findings were compared with the existing literature to provide new insights and formulate propositions. Table 2 summarizes the cross-case findings.

5.1 Phases in the supplier diversity journey
The findings provide empirical evidence of the temporal dynamics of SD implementation (Carter *et al.*, 2017; Janssens & Steyaert, 2019) and suggest that SD journey encompasses three phases before full implementation: structuring, operation and adaptation. In line with previous research on D&I (Riccò & Guerci, 2014), sustainable supply chain (Cormack *et al.*, 2021; Razmdoost & Alinaghian, 2023) and SD literature (Blount *et al.*, 2018; Van Hoek *et al.*, 2023), there is a need for an initial design of the SD strategy and preparation of the organization to implement SD through education programs (Adobor & McMullen, 2007; Theodorakopoulos *et al.*, 2015) to engage buyers and to inform them on new procedures and metrics.

In the operations phase, LPOs effectively start recruiting and selecting diverse suppliers. The whole procurement team should be involved and aware of the SD initiative. Mapping diverse suppliers can be done by looking for diverse suppliers in the current list of suppliers or can be enhanced by the help of IOs. During this phase, though, LPOs faced different challenges to implement SD as discussed later in this section.

To continue the SD implementation, it is important that LPOs immediately adapt to overcome the encountered barriers. In this sense, there should be a recurring process between the operations and the adaptation phases, which will allow the transformation: practitioners implement a practice, identify the complexities involved and search for new ways of doing things. In this sense, this study highlights the need for an ongoing review process in the operations phase, before a sustaining strategy is fully implemented as proposed by Cormack *et al.* (2021).

Thus, the first proposition is:

P1. SD implementation is an evolutionary process that requires initial structuring before the operation and needs to be continuously adapted before being fully adopted.

5.2 Challenges in the supplier diversity journey
Carter *et al.* (2017) called for more research to investigate the factors that enable or hinder the adoption of practices across supply chains. Additional to some common cited barriers to identify diverse suppliers (Adobor & McMullen, 2007; Edmondson *et al.*, 2008), this research

Actions	Who	Complexities/barriers	Adaptation/learning	Who
Defining an SD Project Leader	Leadership			
Benchmark	Project Leader			
Clear vision of SD	Project Leader + Procurement team	Dependence on existing IOs and their criteria to measure diverse suppliers	Internal discussion on how to measure diversity in SC	Procurement team
KPI definition	Procurement team	Targets were not achieved	New metrics to include not only spending on DS, but invitation to bidding	Procurement team
IOs association	Procurement team	Dependence on financial resource/top management support	Need for a business case	Project Leader
Education and training (E&T) programs	Project Leader + Procurement team + IOs	Lack of diversity competences Preference of internal users for their traditional suppliers	Need to develop competences by integrating with Corporate Diversity and HR Need to invite other practitioners to education session Continuous education program	Project Leader
Inclusive procurement policies	Project Leader + Procurement team	Tensions between economic and social metrics Compliance issues	Not identified	
Mapping suppliers in the current supply base	Project leader + buyers	Ethical and legal issues	Two-way interactions with IOs	Procurement team
	IOs	Need of certification	Survey with current suppliers Changes in RFI and RFQ	
Recruiting suppliers via IO	Buyers + IOs	Increase in lead time Lack of robust database	Association with new IOs Proactive search with IOs for new bidding	Project Leader
Selecting suppliers	Buyers	Resistance for internal users Compliance issues	New audience for E&T Programs Not identified	

Source: Field research

Table 2.
Results summary

revealed that a lack of a consistent knowledge base and a lack of legitimacy on the part of IOs delayed SD implementation.

The lack of knowledge base emerged as difficulties to translate what buyers had learned from their education program into their daily routines and as poor knowledge retention due to workforce turnover. This "unlearning" can be caused by a lack of a supportive organizational culture, or a lack of time or social capital (Feeney *et al.*, 2023). A supportive organizational culture influences the buyers' willingness to adopt SD (Whitfield & Landeros, 2006) and help properly balance economic and social criteria when managing suppliers (Razmdoost & Alinaghian, 2023). In the studied cases, though, actions required to change procurement policies or supplier selection criteria were not really identified (Table 2). Indeed, buyers argued that they could not review their procedures due to compliance issues.

The results suggest a traditional mindset based on economic priorities, common at the beginning of the sustainability trajectory (Roy, 2018). In the studied cases, the procurement team was the only responsible for the SD initiative in all cases and there was no joint effort between procurement and corporate diversity to discuss D&I (except for B1). As the procurement team normally lacks sustainable and inclusive competences (Villena, 2019), it might take more time to reduce the tensions between economic and social priorities and really promote a transformative change (Razmdoost & Alinaghian, 2023). Thus, there is a need to create knowledge about D&I by aligning the SD initiative with organizational values, framing it as a new sustainable procurement practice or by sharing knowledge with experts (Razmdoost & Alinaghian, 2023).

Another possible explanation for the lack of a knowledge base is related to the (un) willingness to learn about D&I. All cases relied on traditional training sessions, which are not enough to overcome bias. As these sessions do not create social accountability (Burnett & Aguinis, 2023), they might have an opposite effect on people by creating more stereotyping and segregation (Bernstein *et al.*, 2020; Burnett & Aguinis, 2023). Indeed, they might result in biased behavior toward diverse suppliers and reduce commitment to SD (Blount & Li, 2021). Thus, it is important to promote repeated and collaborative interactions between buyers and diverse groups (Bernstein *et al.*, 2020; Heinze & Soderstrom, 2023), so that buyers and suppliers can learn from each other and try to find a common and collaborative way to overcome barriers. These SD trainings should be incorporated into other internal education programs (Burnett & Aguinis, 2023). If not, SD implementation might be jeopardized due to the absence of a consistent knowledge base (Silvestre, 2015; Roy *et al.*, 2020). The second proposition is:

P2. The less consolidated the tacit and explicit knowledge base about D&I and SD in the procurement team, the longer and more erratic SD implementation will be.

Finally, Table 2 provides evidence of some interorganizational supply chain management practices   between LPOs and IOs (Carter *et al.*, 2017). LPOs cannot implement SD without relying on IOs to identify and certify diverse suppliers. IOs had an important role to play by both developing suppliers and connecting them to buyers (Pan *et al.*, 2022; Theodorakopoulos *et al.*, 2015). These IOs should have credibility in the eyes of the parties they wish to bring together (Adobor & McMullen, 2014). The previous SD literature examining IOs focuses mainly on successful cases, although Van Wijk *et al.* (2020) argued that these IOs are prone to failure.

The research results suggest that the studied IOs were not prepared to leverage SD and create operational readiness as they lacked financial resources and local expertise and were not recognized by diverse suppliers. As LPOs relied on IO capabilities to identify and develop diverse suppliers, the replication of known international practices in the country

was not easy and could delay the SD adoption. In this sense, this research provides evidence of how the practices adopted by local partners affect the LPOs efforts to implement SD.

The third proposition is:

P3. The SD journey in an emerging country may take longer due to the lack of legitimate IOs.

This research has important theoretical contributions. First, the findings contribute to the debate on SD by providing evidence of what are the practices mostly adopted by practitioners and when they are used and by whom (Carter *et al.*, 2017; Janssens & Steyaert, 2019; Silva & Figueiredo, 2017), which is key to understand how buyers can become more inclusive (Razmdoost & Alinaghian, 2023). Many of the cited practices in previous research were also identified in the new context, suggesting that practitioners can replicate them (Carter *et al.*, 2017). Despite this, communication, participation in fairs and events, mentoring programs and collaborative relationships did not emerge in the data analysis. As LPOs lack D&I competences, they prefer to recruit diverse suppliers through the association with IOs. As the studied SD initiatives were incipient, they were not prioritizing supplier development programs. Therefore, more research is needed to understand if these practices are more appropriate for unique contexts and what are the practices required for more mature SD initiatives.

Second, although learning has been largely associated with sustainability and D&I implementation, its role in SD adoption has been less investigated. This study suggests that D&I competences are key for a successful SD implementation, but they were not effectively learned in the cases. Thus, there is a need to promote repeated quality interactions with D&I specialists and diverse suppliers rather than promoting traditional training programs so that practices can be really learned. This could scale up the SD program by reducing the tensions between economic and social criteria.

Finally, by exploring interorganizational practices adopted in SD implementation, the research contributes to a better understanding of the LPOs' dependence on IOs to implement SD. As Brazilian IOs were not mature, the SD journey is taking longer. Therefore, there are opportunities to further explore the evolutionary SD transformation considering a multilevel approach (LPOs, IOs and diverse suppliers).

As managerial implications, this research identified which SD practices should be implemented during different phases of SD implementation and how to overcome some of the inherent challenges. As LPOs had limited resources and struggled to implement sustainability, this study can help them better plan the SD adoption. The results also provide insights on how to develop inclusive competences and create explicit knowledge about SD.

From a policymaker perspective, this research emphasizes the need for regulation and public procurement initiatives to foster purchasing from diverse suppliers. Pan *et al.* (2022) highlighted that supplying to government can leverage diverse suppliers and prepare them for new opportunities. Besides such initiatives, the government can act as an important sponsor for IOs that depend on financial incentives. Fostering IOs can help them mobilize new resources and expedite the map and certification of diverse suppliers.

While providing different contributions, this research has some limitations. From a sampling perspective, although different cases were searched, two out of three cases were from the same industry. Moreover, all three cases act in business-to-business context, which might constrain the results to their specific context and not necessarily to other industries. Future studies could expand the research design to discuss these findings in different sectors and expand to business-to-consumer contexts. The research design also limited the

SD adoption to the typical definition of diverse suppliers based on ownership criteria. As the research was conducted in a single country, it would be interesting to compare different countries and to investigate how global and transnational approaches on D&I (da Fonseca & Kogut, 2023) further affect the SD adoption. Moreover, how the adopted SD practices had affected diverse suppliers' routines and performance was not investigated. Future studies could explore how diverse suppliers perceive the benefits of SD programs and their impact on their trajectories. Finally, Cavalcanti (2021) highlighted the difficulties to map emerging practices when using a practice-based view. Thus, a longitudinal case study could add more robust knowledge on SD journey.

6. Conclusions

This research explored how LPOs have implemented SD over time. Using multiple case studies, this research makes interesting contributions to the SD knowledge. First, different from previous literature that empirically identified the best practices for successful SD adoption, this study investigated SD adoption using a temporal approach to understand how practitioners really adopt and learn these practices over time. The findings suggest that the SD journey encompasses three different, but interrelated stages: structuring, operation and adaptation, before being fully implemented. Thus, the paper answered the call made by Sordi et al. (2022) and Van Hoek et al. (2023) for more research on how to implement an effective and inclusive SD program. Besides this, by investigating the SD practices cited in the previous literature on a less explored context, the findings help to generalize the international knowledge on SD.

In addition, the results provided evidence that the lack of a consistent knowledge base and the lack of a legitimate IOs hindered the implementation of SD programs even for global organizations. From an internal perspective, this study emphasizes the difficulties to translate inclusive procedures to the daily procurement routines, providing evidence that practices are "unlearned" and knowledge on SD was not established. By combining research on D&I and SD, the results suggest that the traditional education programs used by the studied cases were not creating real commitment from buyers to SD. Thus, there is a need to develop inclusive competences and establish a robust knowledge base prior to really trying to implement SD.

Considering interorganizational practices, the data provided evidence of how the lack of more mature and legitimated IOs hinder SD implementation, suggesting that the evolutionary path of SD adoption is dependent on the trajectory of IOs. The international debate on SD and IOs were mainly based on successful cases. By exploring the challenges faced by the studied IOs, this research helps to explain why some international LPOs fail to replicate practices in their subsidiaries.

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Supplementary material
The supplementary material for this article can be found online.

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Research data are not shared.