Mediating Role of Internationalization Readiness in the Adoption of Social Sustainability Practices: Evidence from Vietnamese Handicraft Companies

Abstract

This study investigates the mediating role of internationalization readiness in the adoption of social sustainability practices (SSP) by companies in the Vietnamese handicraft industry. Data were collected from 325 Vietnamese handicraft companies through a questionnaire survey to empirically validate a conceptual model. The findings reveal that government, laborer, and market pressures on SSP adoption are fully mediated by internationalization readiness. The results also show that supplier pressures influence SSP adoption both directly and through internationalization readiness as a mediator. Furthermore, both internationalization readiness and SSP adoption can positively influence overall organizational performance. This study is the first of its kind to corroborate the application of the stakeholder theory and the resource-based view theory to explore the impactful role of internationalization readiness in SSP adoption. It provides significant insights for managers, public policymakers, and sustainability practitioners to promote greater adoption of SSP across the entire supply chain through fostering internationalization readiness of companies.

Keywords: Social sustainability practices, Stakeholder pressures, Internationalization readiness, Organizational performance, Mediating effect, Handicraft companies

1. Introduction

Social sustainability practices (SSP) refer to the innovative actions and procedures taken by companies to fulfill and promote social responsibilities along their supply chains in the pursuit of sustainable development (Klassen & Vereecke 2012; Sodhi et al. 2022). This promotion should not only be limited to the focal company's operations but also extend to upstream and downstream supply chain partners (Tran et al. 2021; Zhu et al. 2011). It should be embedded in businesses' long-term and broader strategies with positive social outcomes for individuals and the society as a whole (Clube & Tennant 2022; Mani et al. 2020; Vildåsen 2018). SSP, thus, cover a broad categories of actions addressing issues ranging from labor welfare, human rights, working environments, community development, diversity support, ethical behavior, and product responsibilities to supply chain responsibilities (Govindan et al. 2020; Massoud et al. 2020; Nakamba et al. 2017). These categories of SSP are widely adopted by companies around the world to meet expectations and requirements of stakeholders (Andersson et al. 2022; Huq & Stevenson 2020), to mitigate pressures from competitors (Chen & Chen 2019; Leonidou et al. 2015), and to align with increasing global economic integration (Aguilera-Caracuel et al. 2012).

Vietnam has been a country playing a considerable international role in the handicraft industry, being the second most important manufacturer of handicrafts worldwide after China (Teo et al. 2020). Owing to accelerated globalization, there has been increasing growth in the internationalization of Vietnamese handicraft companies, with an expected export turnover reaching $5.0 billion by 2025 (AsemconnectVietnam 2021). At the same time, many Vietnamese handicraft companies have faced social responsibility requirements imposed by their customers in developed countries. Some of them have even lost promising export opportunities due to inadequate labor welfare, poor working environments, and the lack of ecologically-oriented production processes that meet international standards (UNIDO 2013a;

VIRI 2015). To remain competitive in the global market, many Vietnamese handicraft companies have incorporated the adoption of SSP into their business strategies for sustainable development.

Nonetheless, the adoption of SSP could prove to be a challenge to many Vietnamese handicraft companies. While SSP adoption has almost become a must amongst export-oriented companies, it is still not a common practice in most domestic-oriented firms for cost and other reasons (Tran et al. 2018). Export-oriented companies are more likely to experience greater stakeholder pressures for SSP adoption (Nguyen et al. 2021; Zhu et al. 2013). Such pressures stem from the stringent SSP-related regulations and laws set by the government of importing countries (Aguilera-Caracuel et al. 2012). They also arise from the high expectations of foreign customers and the public about decent working conditions for employees and the protection of the environment (Ehrgott et al. 2011; Zhu et al. 2011). Furthermore, pressures come from competitors capitalizing on SSP adoption and exporting as well (Leonidou et al. 2015). In response, Vietnamese export-oriented companies have developed specific resources and capabilities to mitigate the pressures through SSP adoption, leading to better organizational performance (VIRI 2015). In many cases, these resources and capabilities are generated to strengthen the internationalization readiness of export-oriented companies (UNIDO 2013b). Given such background, this study aims to investigate how internationalization readiness is related to the promotion of greater SSP adoption using the Vietnamese handicraft industry as a case study. The findings will help promote SSP not only in Vietnam but also in other developing countries with export-oriented industries.

Internationalization readiness refers to a company's potential transformation from a domestic-oriented into an export-oriented business, which is determined by the availability of the required resources and capabilities for export (Tan et al. 2007). To become internationalization ready, exporting companies should be able to abide by the laws and

regulations on SSP of the importing countries as well as the demand of foreign customers for environmental protection as discussed earlier. Tran et al. (2021) confirm the critical role of internationalization readiness in determining organizational readiness for SSP adoption in the context of Vietnamese handicraft companies. The authors highlight the indirect role of stakeholder pressures on SSP adoption through organizational readiness. What needs to be added to the study of Tran et al. (2021) is a specific focus on the mediating role of internationalization readiness in the relationships between various stakeholder pressures and SSP adoption. Such a focus would shed light on what needs to be prepared in the transition of companies toward export-orientation and why such preparation is critical to SSP adoption in responding to the pressures from numerous stakeholders.

Also, disparities exist among the various stakeholder pressures on SSP adoption. For instance, Mani and Gunasekaran (2018) claim that stakeholder pressures influence SSP adoption directly in determining organizational improvements in terms of enhanced product quality and reduced costs. Chen and Chen (2019), on the other hand, highlight the indirect effect of stakeholder pressures on SSP adoption which can lead to overall performance improvement in corporate reputation, costs saving, and employee satisfaction. However, indirect effect implies that a few stakeholder pressures only may not be enough in internalizing SSP strategies and policies (Mani & Gunasekaran 2018; Tran et al. 2021). As such, there is a need to investigate whether internationalization readiness has any indirect impact on SSP adoption through stakeholder pressures, leading to greater performance outcomes for companies.

To fill this lacuna, we investigated whether SSP adoption motivated by pressures from stakeholders, such as government, laborers, market, and suppliers, would be mediated by internationalization readiness. In addition, we also evaluated whether SSP adoption and internationalization readiness could improve firm performance. As internationalization readiness is meant to mitigate stakeholder pressures and is based on the availability of

resources and capabilities, we draw on the stakeholder theory and the resource-based view (RBV) theory and suggest a mediation model of SSP adoption in which internationalization readiness acts as the mediator. The model was validated using structural equation modeling (SEM) with data collected from a nationwide survey of 325 Vietnamese handicraft companies. Results of the study confirm the role of internationalization readiness as a mediator in the effect of various stakeholder pressures on SSP adoption. The findings also show that internationalization readiness and SSP adoption can positively influence organizational performance. These outcomes provide managerial insights on the role of internationalization readiness in promoting SSP adoption across the entire supply chain. They also assist public policymakers and sustainability practitioners in formulating strategies to promote SSP adoption by individual companies through enhancing their resources and capabilities for export.

The remainder of this paper is organized as follows. It begins with Section 2 that discusses the theoretical background under the stakeholder and the RBV theories, leading to hypotheses development for this study. Section 3 describes the research methodology, followed by the results of data analysis in Section 4. Section 5 presents the research findings and the discussions. Section 6 concludes the paper with elaboration on implications, limitations, and future research directions.

2. Theoretical background and hypothesis development

A few theories have been frequently used to underpin studies on SSP adoption, including institutional, RBV, resource dependence, stakeholder, and transaction cost economics theories (Govindan et al. 2020; Huq et al. 2014; Nguyen et al. 2021). Among them, stakeholder and RBV theories are prevailing in the literature on SSP adoption as they are considered the most relevant (Nakamba et al. 2017). As such, they are employed in the current study to explain how Vietnamese handicraft companies respond to stakeholder pressures to promote

internationalization readiness for their socially sustainable behaviors, leading to performance improvements.

2.1 Stakeholder theory

Stakeholder pressures refer to organizations' concerns about the expectations of and the requirements for SSP adoption from individual stakeholders (Govindan et al. 2020; Massoud et al. 2020). Among them, government, laborers, market, and suppliers are the most prominent in exerting pressures, tangible and intangible alike, on companies to adopt SSP (Sodhi et al. 2022; Tran et al. 2021). The influence of these stakeholders on SSP adoption can be interpreted using the stakeholder theory. This theory posits that companies are motivated to adopt SSP to satisfy the interests of individual stakeholders (Freeman 1984). There are various stakeholders in the adoption of SSP. Government, for instance, requires individual companies to be socially compliant (Mani & Gunasekaran 2018). Laborers are those who push for increased efforts of companies to become more socially responsible (Huq et al. 2014). Competitors force companies to adopt SSP in seeking similar success (Chen & Chen 2019). Customers drive companies toward SSP adoption through their expectations and demands for product safety, product tracking, and fair working conditions for those who make the products (Shafiq et al. 2014). Suppliers are linked to SSP adoption by their customers in a noteworthy attempt to improve social standards across the supply chain (Agarwal et al. 2018). These stakeholders have increasingly shown their abilities to compel companies to adopt SSP (Andersson et al. 2022; Shibin et al. 2020). Managing such pressures effectively is critical to supporting improvements in organizational performance, such as customer satisfaction, employee loyalty, and, ultimately, competitive advantage (Chen & Chen 2019; Welford 1997).

Stakeholder pressures have been widely studied for their impacts on SSP adoption. Nonetheless, previous research has reported mixed and inconclusive findings of such impacts.

A few studies (Zhu et al. (2013); Mani and Gunasekaran (2018); and Li et al. (2020)) confirm the direct impact of stakeholder pressures on SSP adoption. On the other hand, several other studies (Sarkis et al. (2010); Agarwal et al. (2018); Shibin et al. (2020); and Kitsis and Chen (2021)) emphasize that stakeholder pressures influence SSP adoption indirectly. For instance, Agarwal et al. (2018) find that internal impetus is required to mediate stakeholder pressures on SSP adoption. It should be noted that SSP adoption is dependent on the institutional environment in which business organizations operate (Huq et al. 2014). These findings highlight the need to examine further the direct and indirect roles of stakeholder pressures on SSP adoption in a specific context, leading to a better understanding of which stakeholder pressures are more impactful on SSP adoption.

2.2 RBV theory

The RBV theory can be used to demonstrate how companies achieve sustained competitive advantages by utilizing resources and capabilities for SSP adoption (Ayuso & Navarrete-Báez 2018; Barney 1991; Shibin et al. 2020). Such resources and capabilities must be valuable, rare, inimitable, and non-substitutable to help companies achieve and sustain their advantages (Barney 1991). They are divided into tangible ones, such as physical assets, and intangible ones, such as knowledge, innovativeness, and relationship building (Annunziata et al. 2018; Tan et al. 2007). Under the RBV theory, companies can improve their organizational performance attained from SSP adoption if they demonstrate commitment to developing organizational-level resources and capabilities for such adoption (Riikkinen et al. 2017). The development involves investing in specific technologies, processes, systems, strategies, and training (Mani et al. 2018; Sarkis et al. 2010).

The RBV theory has been extensively used to examine the adoption of SSP. Leonidou et al. (2017), for instance, deploy this theory to develop a holistic framework for pursuing SSP adoption. Through addressing social sustainability issues, companies can capitalize on the

endeavor to improve market share, sales revenue, and corporate reputation. Riikkinen et al. (2017) demonstrate the usefulness of the RBV theory in their study of absorptive capabilities for SSP adoption. They show that such capabilities enable companies to adopt SSP, thereby improving product quality. Shibin et al. (2020) build on insights from the RBV theory to confirm that investment in information sharing and connectivity along the supply chain can critically promote SSP adoption. Mani et al. (2018) verify that supplier collaboration toward SSP adoption is an essential capability for companies to enhance customer satisfaction. All these studies have shown that the RBV theory is particularly relevant in justifying the use of different organizational resources and capabilities as enablers of SSP adoption and organizational performance.

2.3 Relationship between stakeholder theory, RBV theory, and internationalization readiness

Many companies have adopted SSP to improve their organizational performance. Yet, there are distinct barriers that hinder the effectiveness of the adoption (Narimissa et al. 2019; Sarkis et al. 2010). These barriers stem from the costs involved, the lack of organizational commitment, resources, and capabilities, as well as the lack of knowledge of SSP (Kitsis & Chen 2020; Zhu et al. 2011). Internationalization readiness is fundamental to the utilization of resources and development of capabilities according to the RBV theory. It can help companies overcome certain SSP barriers because the resources and capabilities prepared for foreign market expansion can facilitate SSP adoption (Aguilera-Caracuel et al. 2012; Ayuso & Navarrete-Báez 2018).

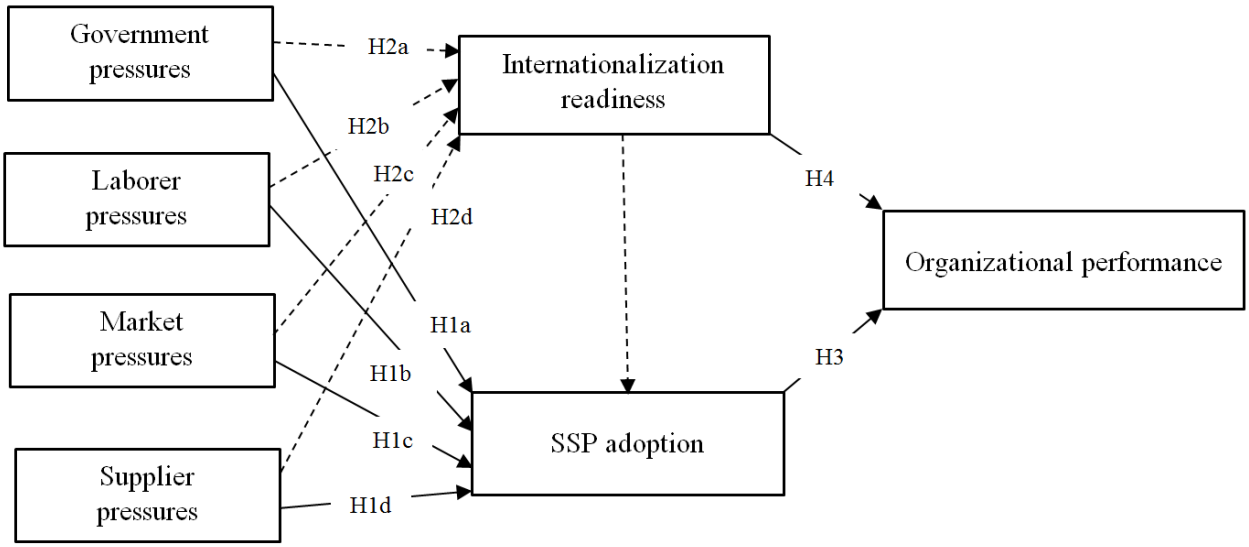
Companies are more likely to face greater pressures from various stakeholders for SSP adoption during the internationalization process (Ayuso & Navarrete-Báez 2018). Under similar stakeholder pressures, companies can exhibit different levels of SSP adoption depending on the amount of resources and capabilities available for the adoption (Agarwal et al. 2018). As such, readiness for internationalization, which is related to the availability of

resources and capabilities, can influence SSP adoption by companies. From the RBV perspective, the lack of resources and capabilities for SSP adoption can be critical obstacles for companies to pursue sustainable development (Sarkis et al. 2010; Zhu et al. 2011). To effectively address the increasing stakeholder pressures, resources and capabilities required for SSP can be built through internationalization readiness.

Research on the role of internationalization readiness in SSP adoption is limited in the existing sustainability literature. Nevertheless, previous studies suggest that exportation orientation plays a vital role in internalizing specific SSP (Aguilera-Caracuel et al. 2012; Ayuso & Navarrete-Báez 2018; Zhu et al. 2013). Specifically, companies with higher export sales are more likely to engage in SSP adoption (Aguilera-Caracuel et al. 2012; Marshall et al. 2010). Despite all these observations, the extant literature remains unclear about the mediating effect of internationalization readiness on such adoption (Tran et al. 2021). To supplement the inadequacy, this study examines the causal effect of internationalization readiness on SSP adoption by investigating its mediation role between various stakeholder pressures and SSP adoption.

2.4. Research model and hypothesis development

This section proposes hypotheses on the relationships between various stakeholder pressures and internationalization readiness, SSP adoption, and organizational performance. Underpinned by the stakeholder and the RBV theories, this study develops a research model as shown in Figure 1, depicting the relationships together with the corresponding hypotheses.



Note: ⇢ Mediation effect (H2a, H2b, H2c, H2d)

FIGURE 1 Research model

As shown in Figure 1, the model includes the key stakeholder pressures, arising from the expectations and requirements of groups and individuals, which influence a company's internationalization readiness and SSP adoption (Huq & Stevenson 2020; Li et al. 2020). According to the stakeholder theory, a company can have many stakeholders, but the key ones include government, laborer, market, and supplier pressures (Huq et al. 2014).

Government pressures have a significant impact on SSP adoption by Vietnamese handicraft companies. Such impact may be formal, as compelled by governmental regulations and laws (Ehrgott et al. 2011; Sodhi et al. 2022). It may also be informal, as reflected through social expectations and collaboration programs (Mani & Gunasekaran 2018). For instance, the Vietnamese government has collaborated with the United Nations Industrial Development Organization to green the supply chain of handicrafts production in Vietnam (UNIDO 2013a). Companies in this industry are certainly encouraged by the government to adopt SSP. Thus, the following hypothesis is formulated:

H1a: Government pressures have a direct positive impact on SSP adoption

Laborer pressures are necessary for Vietnamese handicraft companies to incorporate the expectations and requirements of employees into their SSP policies. Laborers often expect fair working conditions, safe working environments, and respected human rights (Carballo-Penela 2019; Mani & Gunasekaran 2018; Shafiq et al. 2014). Companies must meet these expectations to retain their workforce (Huq & Stevenson 2020). Laborers in Vietnam tend to work for garment and textile, footwear, and electronics companies which offer better wages and working conditions than those in the handicraft industry (Tran et al. 2018). This reality reveals an urgent need for Vietnamese handicraft companies to adopt SSP to help mitigate the labor shortage problem or retain skilled laborers (Teo et al. 2020). The need to keep the valuable knowledge and capabilities of skilled laborers has prompted companies to cooperate with them in SSP adoption (Ehrgott et al. 2011; Yuen et al. 2017). Therefore, the following hypothesis is proposed:

H1b: Laborer pressures have a direct positive impact on SSP adoption

Market pressures are among the most salient forces in shaping and informing socially responsible behavior among Vietnamese handicraft organizations. Customer pressures, for example, generate market pressures on Vietnamese handicraft companies to promote their SSP adoption. Big international companies, such as IKEA, Walmart, Zara Home, and Target, usually set stringent SSP requirements for their Vietnamese suppliers to meet with pushback for not doing so (Tran et al. 2018). Huq and Stevenson (2020) investigate SSP adoption by Bangladeshi companies and reveal that associations, such as trade unions, professional trade bodies, social groups, and non-governmental organizations, can exert considerable pressures on companies to be socially responsible. To remain competitive, a company can feel the pressure and the need to follow suit when most of its competitors have adopted SSP (Kitsis & Chen 2021). As such, this study sets out the following hypothesis:

H1c: Market pressures have a direct positive impact on SSP adoption

Supplier pressures can also lead to SSP adoption by Vietnamese handicraft companies. Research shows that, in many cases, suppliers can convince companies to adopt SSP by disseminating knowledge about the economic benefits of such adoption (Gadenne et al. 2009). Agarwal et al. (2018) indicate that maintaining business with suppliers has a considerable impact on fostering SSP adoption. In the pursuit of social sustainability, companies often leverage their suppliers' resources through a close partnership with them (Huq & Stevenson 2020). All these arguments lead to the following hypothesis:

H1d: Supplier pressures have a direct positive impact on SSP adoption

With globalization of supply chains, internationalization readiness has become a prerequisite and enabler of SSP adoption by export-oriented companies. The success of SSP adoption depends on the amount of resources and capabilities a company can allocate to enable export in three aspects: market readiness, resources readiness, and top management readiness (Leonidou et al. 2015; Li et al. 2017). Market readiness refers to the availability of differentiated products that exceed customer expectations in overseas markets (Matiusinaite & Sekliuckiene 2016). Resources readiness relates to the availability of financial resources, qualified export personnel, capabilities, and experience in the export business (David & Cariou 2014). Top management readiness concerns the commitment of top managers to export (Tan et al. 2007). Nevertheless, how the three aspects are related to internationalization readiness and SSP adoption is not fully understood. Underpinned by the RBV theory, this study seeks to evaluate the rationale behind improving internationalization readiness to facilitate SSP adoption.

This study also argues that various stakeholder pressures can indirectly influence SSP adoption by Vietnamese handicraft companies via internationalization readiness. Adopting SSP can be a complex and challenging task. It requires a substantial amount of finance and specialized expertise to boost companies' confidence in the adoption (Yuen et al. 2017). Such

finance and expertise are more likely to be invested if companies are under immense pressures from overseas markets (Li et al. 2019; Marshall et al. 2010). By doing so, companies can leverage both SSP adoption and internationalization readiness to better their position and surpass their competitors in the global marketplace (Leonidou et al. 2015). Companies in developing economies, such as Vietnam, usually seek support from their developed country counterparts to overcome the complexities and challenges embedded in SSP adoption (Huq & Stevenson 2020). It is, therefore, logical to expect that the impact of various stakeholder pressures on SSP adoption will be mediated in the presence of internationalization readiness. Hence, the following hypotheses are formulated:

H2a: Internationalization readiness mediates the effect of government pressures on SSP adoption

H2b: Internationalization readiness mediates the effect of laborer pressures on SSP adoption

H2c: Internationalization readiness mediates the effect of market pressures on SSP adoption

H2d: Internationalization readiness mediates the effect of supplier pressures on SSP adoption

In the model, organizational performance refers to the improvements that SSP adoption and internationalization readiness can bring to a company (Kitsis & Chen 2021). This study leverages the stakeholder theory and incorporates the RBV theory to examine the organizational improvements brought by SSP adoption and internationalization readiness. The improvements can include boosted revenue, reduced costs, improved quality, increased market share, strengthened reputation, and enhanced customer and employee satisfaction (Mani & Gunasekaran 2018; Nakamba et al. 2017; Uddin et al. 2023).

It is believed that better organizational performance can be an outcome that Vietnamese handicraft companies gain from SSP adoption. Companies with greater efforts on such

adoption are more likely to enjoy a higher business performance (Bhuiyan et al. 2023; Nakamba et al. 2017; Shibin et al. 2020). Li et al. (2017), for example, find a strong and positive correlation between SSP adoption and sales growth, as well as market share. Yuen et al. (2017) suggest that SSP adoption significantly increases customer and employee satisfaction. Agarwal et al. (2018) reveal that substantial cost savings can be resulted from SSP adoption due to a decrease in fines, fees, and energy consumption. Along similar lines, Mani and Gunasekaran (2018) argue that SSP adoption plays a central role in enhancing corporate reputation and product quality. Such evidence leads to the development of the following hypothesis:

H3: SSP adoption has a direct positive impact on organizational performance

In a similar vein, internationalization readiness can influence the organizational performance of Vietnamese handicraft companies during their engagement in SSP adoption. This is likely because resources and capabilities accumulated for internationalization can be simultaneously used for SSP adoption. Annunziata et al. (2018), for example, argue that SSP adoption is cultivated by the capabilities of product innovation for a distinct positioning in foreign markets. Leonidou et al. (2015) empirically verify that export experience increases the likelihood of SSP adoption by possessing vital knowledge and information for exploiting both SSP- and export-related opportunities. Companies are expected to achieve increased performance outcomes by investing their resources and capabilities in meeting the requirements of overseas customers. These arguments are in accordance with the tenet of the RBV theory. As such, we propose the following hypothesis:

H4: Internationalization readiness has a direct positive impact on organizational performance

3. Research methodology

3.1. Questionnaire development

To test the proposed hypotheses, a survey questionnaire was developed to gather data for analysis. Participants of the survey were owners and managers of Vietnamese handicraft companies. The design of the questionnaire involved two stages. In the first stage, a comprehensive literature review was conducted to identify the major SSP adopted by handicraft companies, as well as the recognition, favourableness, concerns, and preparedness of top management toward SSP adoption. In the second stage, the initial questionnaire was pre-tested with 10 academics and 12 sustainability and supply chain experts. The pre-test helped ensure the content validity of the questionnaire (Lewis et al. 2005). The draft questionnaire was then pilot-tested with 35 handicraft owners and managers, which helped determine the face validity and accuracy of the information collected from the targeted industry (Churchill Jr 1979).

The questionnaire comprises three sections: (A) background information of respondents (current position, department, and years of experience) and companies (years of establishment, size, total capital, sales revenue, exports, and SSP standards); (B) information on SSP adoption of the companies. We adopted the 42 SSP-based classifications under eight identified categories developed by Tran et al. (2021), in which each SSP is assessed on a 3-point Likert scale: 1—the practice is not adopted, 2—only part of the practice is adopted, and 3—the practice is fully adopted. The mean value of each category of SSP is used to measure the SSP adoption construct; and (C) items related to government pressures (3 items), laborer pressures (3 items), market pressures (6 items), supplier pressures (4 items), internationalization readiness (3 items), and organizational performance (7 items). Answers are based on a 5-point Likert scale: 1—strongly disagree, 2—disagree, 3—neutral, 4—agree,

and 5—strongly agree. Table 1 presents an overview of the constructs and measurement items used in the research model.

TABLE 1 Overview of the constructs and measurement items in the research model

Construct	Items	Description	References
Government pressures	GOV1	Stringent governmental regulations and laws for non-compliance with SSP adoption	Ehrgott et al. (2011); Mani and Gunasekaran (2018)
	GOV2	Governmental support to promote SSP adoption	
	GOV3	Accelerated governmental efforts to promote SSP adoption	
Laborer pressures	LAB1	Employees' desires for SSP adoption	Ehrgott et al. (2011); Huq and Stevenson (2020)
	LAB2	Employees' demands for SSP adoption	
	LAB3	Collaborations with employees in promoting SSP adoption	
Market pressures	MAR1	Pressures of the public for SSP adoption	Mani and Gunasekaran (2018); Huq and Stevenson (2020)
	MAR2	Pressures of the associations for SSP adoption	
	MAR3	Pressures of the customers for SSP adoption	
	MAR5	Pressures of the competitors for SSP adoption	
	MAR4	Pressures of the industry peers for SSP adoption	
	MAR6	Pressures of the investors for SSP adoption	
Supplier pressures	SUP1	Desires of the current suppliers for SSP adoption	Agarwal et al. (2018); Huq and Stevenson (2020)
	SUP2	Proactiveness of key suppliers toward SSP adoption	
	SUP3	Fostering of long-term business with suppliers	
	SUP4	Active collaboration with suppliers	
Organizational performance	PERF1	Sales improvements of adopting SSP	Leonidou et al. (2015); Mani and Gunasekaran (2018); Mani et al. (2020)
	PERF2	Expense savings of adopting SSP	
	PERF3	Products- and processes-related enhancement of adopting SSP	
	PERF4	Total sales improvements in the industry from adopting SSP	
	PERF5	Positive evaluation of the public toward SSP adoption	
	PERF6	Positive evaluation of customers toward SSP adoption	
	PERF7	Positive evaluation of employees toward SSP adoption	
Internationalization readiness	INT1	Availability of differentiated products that exceed customer expectations in overseas markets	Matiusinaite and Sekliuckiene (2016); Tran et al. (2021)
	INT2	Availability of financial resources, qualified export personnel, capabilities, and experience for export	
	INT3	Commitment of top managers to export	
SSP adoption	SSP1	Labor conditions	Shafiq et al. (2014); Yawar and Seuring (2017); Tran et al. (2021)
	SSP2	Human rights	
	SSP3	Working environments	
	SSP4	Community development	
	SSP5	Diversity support	
	SSP6	Ethical behavior	
	SSP7	Product responsibilities	
	SSP8	Supply chain responsibilities	

3.2. Data collection

The population of Vietnamese handicraft companies was first compiled from various online databases, such as the Yellow Pages of Vietnam, Handicraft and Wood Industry Association

of Ho Chi Minh city, and Vietnam Handicraft Exporter Association. The outcome is a sampling frame of 1,500 companies with contact details. Given the size of the population and its dispersion throughout the country, a simple random sampling method was employed to generate a representative sample. A minimum sample size of 250 companies was determined, which was considered appropriate for SEM analysis in many cases (Hair et al. 2019; Kline 2015).

Using the sampling frame and the simple random sampling technique, telephone calls were made, followed by emails, to invite participants for the questionnaire survey. Approaching owners or managers of selected organizations for the survey is often a difficult task (Agarwal et al. 2018), as experienced in this study. Various measures to overcome the difficulty were employed. For example, we frequently updated our sample from the sampling frame after being rejected by the approached companies until we reached the targeted number of participants. Furthermore, we accepted multiple ways of responses, namely telephone-based and paper-based, to achieve a greater response rate (Shafiq et al. 2014). For the paper-based option, we conducted the survey at the participant's office, handicraft conferences (i.e., the launch of the representative office of Vietnam Association of Craft Villages in the Central Vietnam and Hue Innovation Days), and trade fairs (i.e., Lifestyle Vietnam 2019, Hue Craft Festivals, and VIFA Gu 2019).

Field work began in March 2019 and was concluded in September 2019. A total of 325 companies participated in the survey (a complete response rate of 21.67%), with valid data being collected in all cases. Of these, 157 companies opted for the telephone-based survey, The remaining 168 companies were surveyed with the paper-based option.

Owing to the use of two different ways to collect data, we investigated the presence of any possible sampling error that could undermine the validity of the study. This was accomplished by performing an independent samples *t*-test on important strategic demographics, such as the

number of employees and the sales revenues, with respect to telephone-based participants (n = 157) and paper-based participants (n = 168) in the survey. The results show that there is no significant difference between the two groups of participants as far as the number of employees (t = 0.417, p = 0.677) and sales revenues (t = 0.601, p = 0.548) are concerned. Thus, bias due to different ways of data collection is unlikely to be an issue in this study.

The sample demographics of participants and their associated companies are shown in Table 2. It can be seen that 94.6% of participants (308 out of 325) are senior executives having considerable experience in providing valid information for this study. Companies in the sample vary in their years of establishment, size, and sales revenues. There are 177 companies with export sales, accounting for 54.5% of the surveyed organizations. Remarkably, 35.7% of them have adopted some SSP standards in their operation.

TABLE 2 Profile of participants and companies

Information	Characteristics	Frequency (n = 325)	Percentage (%)
Position	Owner/Director/General manager/CEO	119	36.6
	Deputy managing director/Deputy general manager	57	17.5
	Department manager	99	30.5
	Deputy department manager	33	10.2
	Others	17	5.2
Years of experience	< 1 year	35	10.8
	1–5 years	62	19.1
	6–10 years	104	32.0
	> 10 years	124	38.2
Founded length	5 < years	57	17.5
	5–10 years	93	28.6
	11–15 years	48	14.8
	> 15 years	127	39.1
Number of employees	< 10	87	26.8
	10–100	168	51.7
	101–200	40	12.3
	> 200	30	9.2
Sales revenue	< 3 billion (VND)	111	34.2
	3–50 billion (VND)	153	47.1
	50–200 billion (VND)	52	16.0
	> 200 billion (VND)	9	2.8
Exportation	Non-exporter	148	45.5
	Exporter	177	54.5
Standard adoption	Non-adopter	209	64.3
	Adopter	116	35.7

3.3. Data analysis

This study adopted a two-stage approach proposed by Anderson and Gerbing (1988) for data analysis using statistical software packages SPSS 26.0 and AMOS 26.0. It involved a confirmatory factor analysis (CFA), followed by structural equation modeling (SEM). The former is used to assess the validity of the measurement model, while the latter is employed to test for mediation. SEM has become increasingly popular in mediation analysis. This is due to the limitations posed by other methods such as correlation statistics, regression methods, and hierarchical regression (Sarkis et al. 2010). Such limitations arise from the lack of consideration of measurement error in the variable scores, which might cause difficulties in modeling causality and generate reverse causality bias (Hopwood 2007). Furthermore, SEM is a proper multivariate technique for addressing various dependency relationships simultaneously (Hair et al. 2019). This is particularly relevant since this study investigates the mediating roles of internationalization readiness in a research model with multiple relationships.

4. Results

4.1. Measurement model analysis

The measurement model analysis was conducted using convergent validity, reliability, and discriminant validity (Hair et al. 2019). Convergent validity, the positive correlation of multiple measures of a construct, is assessed by factor loadings on the respective construct and the average variance extracted (AVE) (Fornell & Larcker 1981). In this study, the result of first convergent validity test showed that factor loadings of investor pressures (MAR6), diversity support-based practices (SSP5), and reduced costs (PERF2) were less than 0.5. Consequently, they were dropped from further analysis. The remaining items of the model were tested again, showing that all factor loadings are above 0.6 and significant at $p < 0.001$.

All AVEs in Table 3 exceed the acceptable cut-off value of 0.5, suggesting that convergent validity of the measurement model is sufficient.

Reliability is about the internal consistency of a set of indicator variables through alternative measures (Nunnally & Bernstein 1994). It is measured by Cronbach's alpha and composite reliability (CR). As shown in Table 3, Cronbach's alpha and CR are greater than 0.7, thereby providing evidence of sufficient reliability of all constructs in the model (Hair et al. 2019).

TABLE 3 Test results of convergent validity and reliability

Factor	Items	Cronbach's alpha (> 0.7)	AVE (> 0.5)	CR (> 0.7)
Government pressures	GOV1	0.815	0.619	0.828
	GOV2			
	GOV3			
Laborer pressures	LAB1	0.885	0.721	0.886
	LAB2			
	LAB3			
Market pressures	MAR1	0.904	0.656	0.905
	MAR2			
	MAR3			
	MAR4			
	MAR5			
Supplier pressures	SUP1	0.949	0.823	0.949
	SUP2			
	SUP3			
	SUP4			
Organizational performance	PERF1	0.919	0.658	0.920
	PERF3			
	PERF4			
	PERF5			
	PERF6			
	PERF7			
Internationalization readiness	INT1	0.896	0.746	0.898
	INT2			
	INT3			
SSP adoption	SSP1	0.935	0.687	0.938
	SSP2			
	SSP3			
	SSP4			
	SSP6			
	SSP7			
	SSP8			

Discriminant validity is about the distinctiveness of individual constructs (Lewis et al. 2005). It is determined using the Fornell-Larcker criterion, which suggests that the square roots of AVEs (on the diagonal of the matrix) should be all above the cross-correlations between

constructs (under the diagonal of the matrix) (Fornell & Larcker 1981). Furthermore, the maximum shared variance (MSV) should be smaller than AVE. Table 4 reports the results of the discriminant validity test of the model. They show that the Fornell-Larcker criterion and the MSV values are met, suggesting sufficient discriminant validity of all constructs.

TABLE 4 Discriminant validity test results

	AVE	MSV	INT	PERF	SSP	GOV	LAB	MAR	SUP
INT	0.746	0.584	**0.863**						
PERF	0.658	0.506	0.711***	**0.811**					
SSP	0.687	0.457	0.676***	0.673***	**0.829**				
GOV	0.619	0.353	0.524***	0.594***	0.455***	**0.787**			
LAB	0.721	0.584	0.764***	0.561***	0.509***	0.523***	**0.849**		
MAR	0.656	0.406	0.606***	0.606***	0.510***	0.588***	0.637***	**0.810**	
SUP	0.823	0.428	0.654***	0.577***	0.548***	0.558***	0.609***	0.609***	**0.907**

Notes: ***$p < 0.001$; Square root of the AVE on the diagonal.

To evaluate the overall fit of the measurement model, various goodness of fit (GOF) indices were adopted, including the chi-square test, the ratio of χ^2 to degree of freedom (χ^2/df), the root mean square error of approximation (RMSEA), the GOF index (GFI), the comparative fit index (CFI), and the standardized root mean square residual (SRMR) (Kline 2015). Table 5 presents a summary of the GOF results in this study. It shows that all values are within the acceptable range, suggesting a good fitting model that is reasonably consistent with the data.

TABLE 5 GOF results of the research model

Model fit indices	Research model	Acceptable range	Source
χ^2/df	2.081***	< 3	Kline (2015)
RMSEA	0.058	< 0.08	Browne and Cudeck (1993)
GFI	0.851	> 0.8	Marsh et al. (1998)
CFI	0.948	> 0.9	Hu and Bentler (1999)
SRMR	0.0377	< 0.08	Hu and Bentler (1999)

Note: ***$p < 0.001$.

To complete the measurement model analysis, the data were checked for common method bias (CMB) to identify any potential error arising from using cross-sectional survey data (Podsakoff et al. 2003). Both prior and posteriori measures were adopted to avoid and check for such bias in this study. A prior measure involves using the confidentiality statement

provided at the beginning of each survey. It helps ensure the anonymity of participants, thus addressing the issue of social desirability responses (Agarwal et al. 2018). Another prior measure relates to the deployment of different Likert scales to measure dependent and independent variables. This helps eliminate the response bias by reducing the chances of associated relationships between variables due to patterned responses (Paulraj et al. 2017).

Two posteriori measures to check for CMB were conducted in this study. First, Harman's single factor test was run in which only one factor was extracted in the exploratory factor analysis (Gadenne et al. 2009). This factor has an eigenvalue of 14.643 and explains 47.2% of the total variance, less than the acceptable cut-off value of 50%. A CFA approach was further conducted to identify any CMB. This approach involves comparing fit indices of the measurement models and a one-factor model whose 31 measures are postulated to load on a single factor (Yuen et al. 2017). The fit indices of the one-factor model are χ^2/df = 8.889; RMSEA = 0.156; GFI = 0.471; CFI = 0.599; SRMR = 0.1000. They are significantly worse than those of the measurement model. All the findings indicate that CMB is not a major concern.

4.2. Structural model analysis

Upon checking the reliability and validity of the scale items used to measure the model's constructs, as well as the goodness of fit between the measurement model and the data, the structural model was analyzed. The results are shown in Figure 2. The fit indices (χ^2/df = 2.773; RMSEA = 0.074; GFI = 0.802; CFI = 0.913) suggest a good model fit. Regarding the analytical results of the structural model, only supplier pressures have a significant impact on SSP adoption, supporting H1d (β = 0.151, $p < 0.01$) but rejecting H1a (β = 0.094, $p > 0.05$), H1b (β = -0.087, $p > 0.05$), and H1c (β = 0.067, $p > 0.05$). Government pressures (β = 0.127, $p < 0.05$), laborer pressures (β = 0.585, $p < 0.001$), market pressures (β = 0.144, $p < 0.01$), and supplier pressures (β = 0.340, $p < 0.001$) all have a significant impact on internationalization

readiness, which has a significant impact on SSP adoption (β = 0.524, p < 0.001). These results support H2a, H2b, H2c, and H2d. Furthermore, both SSP adoption (β = 0.336, p < 0.001) and internationalization readiness (β = 0.460, p < 0.05) have a significant impact on organizational performance, supporting H3 and H4.

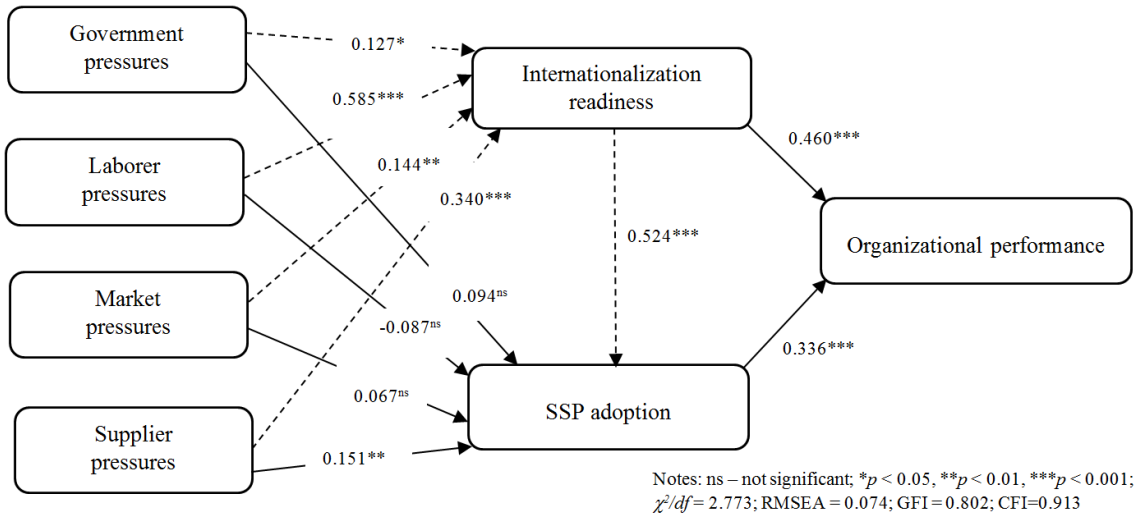


FIGURE 2 Test of the research model

To test the mediating effects (hypotheses H2a, H2b, H2c, and H2d), the Baron-Kenny method was employed (Baron & Kenny 1986). Results of the mediation tests are listed in Tables 6 and 7. Table 6 shows the model fit indices of the full mediation model (χ^2/df = 2.773; RMSEA = 0.074; GFI = 0.802; CFI = 0.913) and the direct model (χ^2/df = 2.886; RMSEA = 0.076; GFI = 0.801; CFI = 0.915). The results show that the full mediation model performs better than the direct model.

Results of the structural paths suggest that internationalization readiness has a mediating effect on all categories of stakeholder pressures. As are evident in Tables 6 and 7, without internationalization readiness, the direct impact of government pressures on SSP adoption is 0.181 (p < 0.01). With internationalization readiness, the direct effect of government pressures on SSP adoption becomes 0.094 (p > 0.05). These results indicate that internationalization readiness fully mediates the effects of government pressures on SSP

adoption. Similarly, without internationalization readiness, the direct effect of laborer pressures on SSP adoption is 0.235 ($p < 0.001$), while with internationalization readiness, the direct effect of laborer pressures on SSP adoption becomes -0.087 ($p > 0.05$). These outcomes signify a full mediation of labor pressures on SSP adoption. Furthermore, the direct impacts of market pressures on SSP adoption are 0.133 ($p < 0.001$) and 0.067 ($p > 0.05$) with and without internationalization readiness, respectively. Thus, internationalization readiness fully mediates the effects of market pressures on SSP adoption. Lastly, without internationalization readiness, the direct effect of supplier pressures on SSP adoption is 0.346 ($p < 0.001$). With internationalization readiness, the direct effect of supplier pressures on SSP adoption becomes 0.151 ($p < 0.01$). These findings demonstrate that internationalization readiness partially mediates the effect of supplier pressures.

TABLE 6 Results of structural equation modeling-based mediation analysis

	Direct model	Full mediation model
Structural paths		
Government pressures → SSP adoption	0.181**	0.094^{ns}
Laborer pressures → SSP adoption	0.235***	-0.087^{ns}
Market pressures → SSP adoption	0.133*	0.067^{ns}
Supplier pressures → SSP adoption	0.346***	0.151**
Government pressures → Internationalization readiness	-	0.127*
Laborer pressures → Internationalization readiness	-	0.585***
Market pressures → Internationalization readiness	-	0.144**
Supplier pressures → Internationalization readiness	-	0.340***
Internationalization readiness → SSP adoption	-	0.524***
Model fit indices		
χ^2/df	2.886	2.773
RMSEA	0.076	0.074
GFI	0.801	0.802
CFI	0.915	0.913
Variance explained (R^2)		
Internationalization readiness		0.495
SSP adoption	0.225	0.341
Organizational performance	0.413	0.493

Notes: ns – not significant; *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.

To evaluate whether different stakeholder pressures may significantly vary in predicting SSP adoption through internationalization readiness, their direct, indirect, and total effects are demonstrated in Table 7. The results of mediating impacts show that supplier pressures exhibit the strongest total effects ($\beta = 0.329$) on SSP adoption, followed by laborer pressures

(β = 0.220) and government pressures (β = 0.160) in descending order. Meanwhile, market pressures have the least total impact (β = 0.142) on SSP adoption.

TABLE 7 Results of mediating impacts

Structural path	Direct effect	Indirect effect (*a* x *b*)	Total effect (*a* x *b* + *c*)	Result	Mediation type
GOV → INT (*a*)	0.127*	0.066	0.160	H2a: Supported	Full
INT → SSP (*b*)	0.524***				
GOV → SSP (*c*)	0.094^{ns}	n/a			
LAB → INT (*a*)	0.585***	0.307	0.220	H2b: Supported	Full
INT → SSP (*b*)	0.524***				
LAB → SSP (*c*)	-0.087^{ns}	n/a			
MAR → INT (*a*)	0.144**	0.075	0.142	H2c: Supported	Full
INT → SSP (*b*)	0.524***				
MAR → SSP (*c*)	0.067^{ns}	n/a			
SUP → INT (*a*)	0.340***	0.178	0.329	H2d: Supported	Partial
INT → SSP (*b*)	0.524***				
SUP → SSP (*c*)	0.151**	n/a			

Notes: ***$p < 0.001$; **$p < 0.01$; *$p < 0.05$, ns – not significant; n/a – not available.

5. Discussion

The results of this study shed much light on how different stakeholder pressures impact on SSP adoption. The findings show that, in the context of Vietnamese handicraft companies, pressures from the government (H1a), laborers (H1b), and market (H1c) do not have any direct effect on SSP adoption. This result contradicts the viewpoint of the stakeholder theory and does not align with the findings of previous studies (see Mani and Gunasekaran (2018); Li et al. (2020); and Nguyen et al. (2021)). A possible explanation is that pressures from the government, laborers, and market are not powerful enough in driving SSP adoption. For example, if a company is not ready to export or does not export much to foreign markets, there is no strong incentive to adopt SSP as advocated or required by the importing countries due to higher production cost (Huq & Stevenson 2020). Nevertheless, such a result is consistent with the outcomes achieved by Sarkis et al. (2010), Agarwal et al. (2018), and Tran et al. (2021) demonstrating the indirect roles of stakeholder pressures on SSP adoption. To fully appreciate the influence of the various stakeholders on SSP adoption, we argue that their impacts are mediated by internationalization readiness.

This study finds that the indirect positive effect of government pressures on SSP adoption through the full mediation of internationalization readiness is significant and noteworthy (H2a). In other words, Vietnamese handicraft companies with a high level of internationalization readiness are more likely to be influenced by government pressures when formulating specific SSP policies and strategies. A plausible explanation is that these companies are more proactive to the uptake of SSP for their product innovation and business operations due to high social standards and stringent regulations imposed by both the export and the import countries (Macchion et al. 2017). Internationalization readiness has placed them in a prime position to develop and maintain social responsibilities that go beyond legal compliance in particular countries. Such endeavor helps them overcome market barriers and outperform rivals (Ayuso & Navarrete-Báez 2018; Zhu et al. 2013).

The indirect positive effect of laborer pressures on SSP adoption through the full mediation of internationalization readiness is also significant (H2b). The full mediation suggests that the contribution of laborer pressures to SSP adoption is due to the presence of internationalization readiness. This can be justified by the fact that laborer pressures resonate strongly with the greater expectations of the importers for SSP adoption (Nguyen et al. 2021). In this regard, Vietnamese handicraft companies with strong internationalization readiness are more likely to be assisted in awareness education and labor training by their importers, thus achieving better organizational-level resources and capabilities in conducting social sustainability initiatives focusing on employees (Huq & Stevenson 2020; Li et al. 2017). This view is strongly supported by Ayuso and Navarrete-Báez (2018), who find that internationalization readiness is associated with a knowledge-based resource that drives companies toward labor condition-based practices.

This study also reveals the full mediation of internationalization readiness on the relationship between market pressures and SSP adoption (H2c). When it comes to internalizing the export

strategies, market pressures fundamentally lead to a higher level of SSP adoption. This full mediation is driven by the fact that the public and the customers in foreign markets are increasingly concerned about the social issues of the export countries (Uddin et al. 2023; Zhu et al. 2013). Customers are willing to pay higher prices for environmentally and socially friendly products (Tran et al. 2018; Zhu et al. 2011). This has resulted in integrating social sustainability practices into products and processes by Vietnamese handicraft companies for legitimacy and competitiveness in the global marketplace.

Furthermore, this study discloses that supplier pressures directly influence SSP adoption by Vietnamese handicraft companies (H1d). This finding corroborates that of Yuen et al. (2017), Agarwal et al. (2018), and Li et al. (2020). It reveals that supplier expectations, advances, business continuity, and partnership should be considered in promoting SSP adoption in companies. Surprisingly, while suppliers exert the most direct impact on SSP adoption, supplier pressures are underestimated by a vast number of companies in the sample. It is reflected in the mean values of supplier pressures ranging from 2.754 to 3.185 (see Table 3), which are primarily less influential than all the other pressures. Even though Vietnamese handicraft companies may perceive intense pressure from the government, laborers, and the market, supplier pressures actually motivate SSP adoption more than other pressures. This direct impact is the consequence of high requirements for supply chain responsibility-based practices set by counterparts in developed countries.

As far as internationalization readiness is concerned, it produces partial mediation while diminishing the direct effect of supplier pressures on SSP adoption. Yet, the relationship remains significant (H2d). A possible explanation for the partial mediation is that in the context of the Vietnamese handicraft industry, export-oriented companies are more likely to be pressurized by suppliers in response to SSP-related requirements of overseas customers (VIRI 2015). Handicraft companies usually depend on suppliers for semi-finished products

(UNIDO 2013b; Yang & Shafi 2020). Business continuity and partnership are two key forms of supplier pressures that may help overcome difficulties associated with SSP adoption. All these observations show that the relationship between supplier pressures and SSP adoption is still significant in the presence of internationalization readiness. Further analysis reveals that supplier pressures are the strongest predictor of SSP adoption via internationalization readiness. This finding broadly supports the work of Agarwal et al. (2018), which finds supplier pressures to be the most relevant motivation for the greater SSP adoption among manufacturers in the United States through internal impetus. While upstream suppliers in the United States are proactive in SSP adoption with a ripple effect propagating to the downstream supply chain, this proactiveness is not witnessed in the case of Asian countries such as Vietnam, where most handicraft suppliers are operating at micro- and small-scale (UNIDO 2013a; Yang & Shafi 2020). In the Vietnamese handicraft industry, suppliers tend to be reactive and dependent on the focal companies for their social efforts on SSP under the pressures from importers in developed countries (Teo et al. 2020; VIRI 2015). To be more cost effective, Vietnamese handicraft companies have addressed the challenges associated with supplier pressures through a specific focus on facilitating and collaborating with their upstream partners in the supply chain (Tran et al. 2021; UNIDO 2013b).

The study also supports that SSP adoption directly influences organizational performance (H3). Such finding aligns with that of previous research by Yuen et al. (2017), Annunziata et al. (2018), Li et al. (2020), and Uddin et al. (2023). It shows that SSP adoption is positively linked to boosted revenue, improved product quality, increased market share, strengthened reputation, and enhanced customer and employee satisfaction. Overall, these findings support the use of both the stakeholder and RBV theories to interpret SSP adoption as a competence and a fulfilment of stakeholders' requirement that can translate into superior outcomes for Vietnamese handicraft organizations.

In addition, our study finds a significant positive impact of internationalization readiness on organizational performance (H4). Consistent with the RBV theory, this result indicates that investment of resources and capabilities in internationalization readiness can be an integral part in improving organizational performance. One possible explanation is that resources and capabilities accumulated for export intertwine with those required for SSP adoption, resulting in improved organizational performance (Annunziata et al. 2018; Zhu et al. 2013). For instance, Boehe and Cruz (2010) find that SSP adoption can contribute to the market readiness of a company and thus improve sales revenue in export markets. Leonidou et al. (2015) show that export experience can facilitate the achievement of greater product quality when companies capitalize on both SSP adoption and product differentiation. These findings signify the synergy among resources and capabilities for export and SSP adoption to subsequently enhance organizational performance.

6. Conclusion

Underpinned by the stakeholder and the RBV theories, this study investigates and confirms the mediating role of internationalization readiness in SSP adoption by Vietnamese handicraft companies. The results show that government, laborer, and market pressures on SSP adoption are fully mediated by internationalization readiness. In contrast, supplier pressures influence SSP adoption both directly and through the mediating effect of internationalization readiness. Furthermore, the findings strongly support the view that SSP adoption and internationalization readiness have positive effects on organizational performance. With these findings, this study contributes significantly to social sustainability and international business in both theoretical and practical terms. The study sheds light on the intertwined relationship between export and SSP adoption strategies that companies can harness for sustainable development. While the Vietnamese handicraft sector is used as a case study in this research, it is believed that the findings can serve as references for governments and export-oriented

industries in other developing countries to formulate their SSP adoption polices and strategies.

6.1. Theoretical contributions

Our theoretical model enriches the current understanding of SSP adoption based on the extension of the stakeholder and RBV theories. Such extension offers comprehensive insights into the effect of various stakeholder pressures on SSP adoption by revealing the mediating role of internationalization readiness. We show that stakeholder pressures alone are not impactful enough to motivate SSP adoption. Internationalization readiness, which denotes a company's sufficient capabilities and resources to export, plays a critical mediating effect on these stakeholder pressures. Strong internationalization readiness supplements the resources and capabilities required for SSP adoption, leading to enhanced performance outcomes for companies. This finding meets the need in the literature of sustainability and international business for studies in developing country contexts where synergy among export and SSP adoption can be accelerated and garnered to tackle challenges associated with sustainable development (Tran et al. 2021). To understand the details of such mechanism, the finding of this study calls for further research on the role of internationalization readiness in SSP adoption.

Our study also reveals an asymmetry of the mediation effect of internationalization readiness among government, laborer, market, and supplier pressures. While government, laborer, and market pressures are fully mediated, supplier pressures are found to be partially mediated. From a theoretical perspective, this asymmetry is useful in effectively explaining the diverse socially responsible behaviors of companies under similar institutional settings. Government, laborer, and market pressures could not influence SSP adoption without some internationalization readiness. On the contrary, suppliers exert the strongest influence on SSP adoption, likely because of the interrelationships among partners in the supply chain in

response to the pressures of overseas customers (Yang & Shafi 2020). This finding highlights the need for further research on the critical role of suppliers in contributing toward SSP adoption.

6.2. Practical contributions

Practically, this study provides managerial insights on the role of internationalization readiness in promoting SSP adoption by micro-, small-, and medium-sized companies in developing countries. Specifically, internationalization readiness should become a focal point in SSP adoption and organizational performance. Companies should appreciate the importance of internationalization readiness by incorporating exporting and SSP adoption into the overall company's policies and strategies. In doing this, companies are more likely to achieve competitive advantage over their rivals in the industry, leading to sustainable development for the companies.

Internationalization readiness helps companies determine which resources and capabilities should be given priority in the strategic path of foreign market expansion. Our findings suggest that companies should consider market readiness, resources readiness, and top management readiness. Regarding market readiness, companies should differentiate their products by focusing on SSP adoption along the supply chain. To achieve a complementary source of competitive advantage from such adoption, companies should have adequate financial resources and qualified human resources for export. Lastly, export strategies should be embedded in every decision and action by company owners/managers, including in their active role for being proactive in SSP adoption.

Findings on the indirect effects of various stakeholder pressures on SSP adoption by companies via internationalization readiness can also be valuable for practitioners and decision makers. SSP adoption in individual companies will continuously be pressured by

various stakeholders, including the government, laborers, market, and suppliers. It is important that companies should proactively integrate such pressures into their business strategies and policies with a specific focus on enhancing their readiness toward export, leading to better overall organizational performance.

Another critical contribution of this study relates to the most instrumental role of suppliers in promoting internationalization readiness, which helps improve SSP adoption by companies. Companies aiming at active SSP efforts along their supply chain should select suppliers who are also socially responsible (Agarwal et al. 2018). They should further foster long-term partnerships with suppliers to advance their SSP adoption agenda (Yang & Shafi 2020).

Finally, the study offers insights for public policymakers and sustainability practitioners to improve SSP adoption. It assists the government and non-government organizations in developing appropriate policies and support programs to optimize utilization of organizational resources and capabilities for export. This development can generate considerable impacts on SSP adoption, not only by the focal company but also along the entire supply chain.

6.3. Limitations and future work

Despite the notable contributions, our study should acknowledge several limitations. One limitation is associated with possible social desirability bias as the sample was drawn from a single industry. Future work could deploy appropriate strategies to reduce the possibility of such bias by involving other industries and countries, thereby enabling comparison of findings across different research settings.

Another limitation is that the current study has not considered the influence of internationalization readiness on specific categories of SSP or a particular aspect of organizational performance. Future research could investigate such distinctive relationships. Finally, it would be interesting to analyze the emerging role of suppliers in SSP adoption.

This may help identify motivators, barriers, and performance indicators for SSP adopters and suppliers producing and exporting goods to developed countries. Such a study can pave the way for companies and related stakeholders to diffuse SSP along multi-tier supply chains.

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