Corporate Responses to Modern Slavery Risks: An Institutional Theory Perspective

Abstract

Purpose – Drawing on statements made under the TISC provision of the UK Modern Slavery Act, this paper examines how firms are responding to modern slavery risks in their supply chains.

Design - Using an institutional theory lens, a content analysis of modern slavery statements by FTSE firms is carried out. The analysis focuses on (i) sources of modern slavery institutional pressure and (ii) changes that firms have made in their structures, policies and practices in response to modern slavery risks.

Results – Three sources of institutional pressure are inferred from modern slavery statements: international human rights accords (coercive), multi-stakeholder initiatives (mimetic) and professional standards (normative). Changes made by firms in direct response to modern slavery include adopting new policies, strengthening contract terms, establishing working/steering groups and creating new KPIs. FTSE 100 firms have been more proactive than FTSE 250 firms in making these changes, as have firms in higher risk industries.

Research limitations - The analysis covers FTSE firms only. Responses to modern slavery risks by non-FTSE firms deserve attention.

Practical implications – The UK Modern Slavery Act relies on NGOs and consumers to hold firms to account over modern slavery. Policy makers should be aware that while this strategy might work with high profile firms, it is less applicable to firms that operate below the public radar.

Originality - The paper shows that institutional theory has validity for explaining corporate responses to modern slavery risks.

Keywords: Modern slavery, supply chains, institutional theory, responsibility, FTSE firms

Paper type Research paper

1. Introduction
Responsibility has become a prominent theme in supply chain management (SCM) research. Reflecting its importance, European Business Review Vol. 29 No. 3 recently published a special edition on social responsibility in SCM (Eriksson and Hilletofth, 2017). One aspect of responsible SCM that has been historically overlooked but is now attracting attention is modern slavery (Crane, 2013; Gold et al., 2015; New, 2015). In large part, this is due to government pressure on firms to exercise vigilance over modern slavery risks in their supply chains. The Transparency in Supply Chains (TISC) provision of the UK Modern Slavery Act is a case in point. It requires large firms in the UK to publish a statement outlining their preventative actions for modern slavery (HM Government, 2015). The thinking behind TISC is that public exposure on modern slavery will trigger a “race to the top” in responsible SCM (ibid).

Since the enactment of the UK Modern Slavery Act the content of modern slavery statements has been examined in academic (Birkey et al., 2018; Stevenson and Cole, 2018; Pinheiro et al., 2019; Voss et al., 2019) and non-academic studies (Business and Human Rights Resource Centre, 2016; Ergon Associates, 2017; Know the Chain, 2018). Their findings have yielded valuable insights into what firms claim to be doing to combat modern slavery. Missing from the literature, however, is theoretical framing of the issue. This limits our ability to understand how and why firms give effect to government
and societal expectations on preventing modern slavery. Our paper attempts to address these limitations by putting the debate onto a firmer theoretical footing. To do this we use institutional theory and its predictions about the effects of institutional pressures on firms. Institutional theory has been used in research on sustainable SCM (Moxham and Kauppi, 2014; Sayed et al., 2017) but it has yet to be applied to modern slavery.

Institutional theory is selected because the TISC provision, and its accompanying expectations on modern slavery prevention, represents institutional as opposed to marketplace pressure on firms. It is imposed on firms from the outside by legislation, non-government organisation (NGO) campaigning, professional standards, stakeholder initiatives, media coverage and consumer activism. Institutional theorists state that pressure of this kind affects the internal workings of firms and causes them to adapt their structures, policies and practices (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). It can even result in firms converging on a similar set of characteristics because they are responding to the same external rules and norms – a process known as isomorphism (DiMaggio and Powell, 1983). Firms are not passive players in this process, however, and institutional theorists acknowledge that resistance to institutional demands does happen (Oliver, 1991).

In this paper we use modern slavery statements made by FTSE 100 and FTSE 250 firms to determine how firms are responding to institutional pressures over modern slavery. Their statements provide a unique window into corporate behaviour on modern slavery. While policies to promote labour rights in supply chains are not new (Hamann et al., 2009; Preuss and Brown, 2012), it is only since the enactment of the UK Modern Slavery Act that firms across all industries have started to publicly address modern slavery risks. Our empirical analysis involves identifying the sources of modern slavery institutional pressure on FTSE firms and the types of organisational changes enacted in response to these pressures. Particular attention is paid to the effect of firm size and industry on corporate response.

The paper proceeds as follows. Section 2 outlines what modern slavery reporting means for firms. Section 3 frames the debate on modern slavery reporting in terms of institutional pressures and corporate responses to such pressures. Section 4 describes the method that was used to extract and analyse data from modern slavery statements. Section 5 reports on the results of the study. Section 6 discusses the results. Section 7 concludes the paper with acknowledgement of its limitations and implications for practice. Modern slavery is defined here as “the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised” (Office of the High Commissioner for Human Rights, Undated). In practice, modern slavery involves one party forcing another party to work, controlling them through threats, restricting their movement, treating them as a commodity and financially exploiting them (Crane, 2013, p. 51).

2. Modern Slavery Statements
The UK Modern Slavery Act passed into law in 2015. Section 54 of the Act, also known as the TISC provision, obliges large firms in the UK to publish a statement describing their efforts to prevent modern slavery entering their supply chains. While firms have discretion over what to report, guidance documentation recommends that they include information on policies, risk assessment, due diligence, risk management, performance reporting and training (HM Government, 2015). Recent events show that the legislation is much needed. Between 2016 and 2017 there was a 159% increase in offences like forced labour and human trafficking recorded in the UK (HM Government, 2017). There have also
been high profile modern slavery cases involving the domestic supply chains of retailers like Sports Direct Plc, John Lewis and Next Plc (www.bbc.co.uk, 2016, 2017).

The TISC provision aims to promote transparency and accountability in SCM by requiring large firms to publish an annual modern slavery statement. The legislation assumes that exposing firms to public scrutiny will pressure them into taking a proactive stance on modern slavery (Voss et al., 2019). As the same authors note, however, there is no legal onus on firms to implement specific measures like onsite auditing nor is there any regulatory mechanism for enforcing responsible SCM. The effectiveness of this disclosure approach is open to debate. New (2015) warned that firms could treat modern slavery reporting as a public relations exercise and overlook the possibility that their business models are part of the problem. This echoes Cho et al.’s (2015) argument that sustainability reports rarely amount to substantive disclosures because of conflicts between commercial interests and the social good.

Modern slavery statements have already received attention in the academic and “grey” literatures. Initial assessments have been critical of firms for their lack of detail on preventative strategies (Business and Human Rights Resource Centre, 2016; Ergon Associates, 2017; Know the Chain, 2018) and for a “tick box” attitude to the preparation of statements (Office of the Independent Antislavery Commissioner, 2018). There also appears to be significant variation in preparedness among firms, even in the same industry. Among textile firms, Stevenson and Cole (2018) identified response types that ranged from “compliance only” to “ethical leader” while Voss et al. (2019) observed differences in the breadth and depth of statements between large and small firms. Amid the criticisms, the same studies report positive developments such as firms re-writing their supplier codes of conduct and strengthening risk assessment procedures.

Apart from the above assessments, there are a few studies on modern slavery in a business context. Zutshi et al. (2009) investigated child labour risks in supply chains and concluded that it was not a priority for corporations. A “human-centric” line of inquiry in SCM (Abbasi, 2017) has examined corporate action on labour rights abuses by suppliers (Winstanley et al., 2002; Yu, 2009; Park-Poaps and Rees, 2010) and corporate codes on human rights (Hamann et al., 2009; Preuss and Brown, 2012). More recently, Gold et al. (2015) and New (2015) have discussed the threat posed by modern slavery and how it should be countered by industry and government. Our interest is in corporate responses to modern slavery in the wake of the UK Modern Slavery Act. In the next section we put forward institutional theory as one way to understand these responses.

3. Institutional Pressures and Corporate Responses
The foundational claim of institutional theory is that corporate structures, policies and practices are determined by institutional forces as well as market forces (Meyer and Rowan, 1977). This means that the operations of any firm reflect not only the technical demands of its work activities but also the rules and norms of its institutional environment (ibid). The institutional environment includes regulators, professional bodies, NGOs, the media, consumers and firms. Regulators and civic society groups can coerce firms to act in certain ways, professional bodies exert a normative influence over firms, and peer interaction leads firms to mimic one another (DiMaggio and Powell, 1983). One of the effects of institutional pressure, as DiMaggio and Powell (1983) explain, is that firms start to exhibit similar characteristics. This process of isomorphism happens because firms are responding to the same institutional cues.
Institutional pressure on firms over modern slavery did not start with the UK Modern Slavery Act. NGOs and consumer groups have been campaigning on this issue for some time. For example, Apparel Industry Partnership and the Fair Labor Association emerged in the 1990s after revelations about “sweatshop” labour in apparel supply chains (Yu, 2009; Park-Poaps and Rees, 2010). Likewise, The International Cocoa Initiative\(^1\) was established in 2007 to combat child labour on cocoa plantations. These initiatives, together with international human rights accords e.g. UN Global Compact, mandatory social reporting requirements e.g. EC Non-Financial Reporting Directive, and profession-specific trends in procurement (Steinfeld et al., 2017) have been pressuring firms in coercive, normative and mimetic ways. Institutional theory predicts that these pressures will cause firms to emphasise social responsibility and to signal it through their structures, policies and practices (Campbell, 2007).

Social legitimacy explains why firms make organisational changes in response to institutional pressure. As Dowling and Pfeffer (1975, p. 122) noted, “organizations seek to establish congruence between the social values associated with or implied by their activities and the norms of acceptable behaviour in the larger social system”. In the context of modern slavery, this means firms need to signal to society that they are strengthening their policies and practices to prevent it from entering their supply chains. A firm found to be negligent could lose the support of its political and economic stakeholders, and with it the social legitimacy to operate (Dowling and Pfeffer, 1975). The UK government assumes as much in respect of modern slavery, reminding firms that “a failure to comply with the provision, or a statement that an organisation has taken no steps, may damage the reputation of the business” (HM Government, 2015, p. 6).

Institutional pressure does not always have its intended effect and firms can “ceremonially” conform to institutional expectations (Meyer and Rowan, 1977) or even reject them (Oliver, 1991). The stance taken by firms on institutional compliance depends on factors such as the social legitimacy benefits at stake, the consistency of new institutional rules with corporate values and the degree of coercion used by institutional actors (Oliver, 1991; Campbell, 2007). Thus, we should not assume that firms will act in accordance with the wishes of government and civic society on modern slavery. Findings to emerge so far underline the contingent nature of their compliance with modern slavery reporting (Know the Chain, 2018; Office of the Independent Antislavery Commissioner, 2018). Further research is warranted, however, to investigate the dynamics between modern slavery institutional pressures and corporate responses to them. The next section explains our method for this investigation.

4. Method
4.1 Data collection
The modern slavery statements of FTSE 100 and FTSE 250 firms published for the financial year-end 2016 were used in this study. FTSE 100 is the largest one hundred firms by market capitalisation on the London Stock Exchange. FTSE 250 is the next two hundred and fifty largest firms. FTSE firms were selected because their marketplace size makes action by them on modern slavery consequential for their supply chains. Statements were obtained from their website home page, which is where firms are required to publish them. The search process returned 299 statements. This figure is net of nine duplicates. Duplicates here refer to two or more FTSE firms covered by the same statement e.g. John Laing Group Plc and John Laing Infrastructure Fund Ltd. FTSE 100 statements averaged 3.54 pages.

\(^1\) [www.cocoainitiative.org](http://www.cocoainitiative.org)
FTSE 250 statements averaged 2.32 pages. The difference, which is statistically significant (p <.01), provides the first indication that FTSE 100 firms have more information to disclose than FTSE 250 firms.

4.2 Content analysis
The 299 statements were subject to a structured content analysis. Content analysis involves systematically reading a body of texts and inferring meaning from them (Krippendorff, 2004). Statements were pored over for evidence of firms making changes to their existing structures, policies and practices in response to modern slavery concerns. We also sought to infer sources of institutional pressure on firms from the information provided in their statements. A protocol was developed to assist with the coding process. It contains a list of indicators of the changes we anticipated firms making (see Appendix). Indicators were arrived at by consulting the extant literature, sampling statements prior to the content analysis and our a priori expectations. Each statement was assessed against the list of indicators. Indicators were binary coded 1/0 where 1 denotes the presence of the indicator and 0 denotes its absence. IBM SPSS Statistics 23 was used to record the information and analyse the results.

5. Results
5.1 Non-compliance
Corporate compliance with institutional requirements is never guaranteed (Oliver, 1991). This is true of modern slavery reporting. Approximately 12.3% of firms (n = 43) in the sample did not publish a statement. All but one of these firms is outside the FTSE 100 and 71.4% (n = 30) are in Finance and Insurance. We ran a binary logistic regression to test the combined effect of firm size, proxied by FTSE group, and industry on the likelihood of publishing a statement. The model is significant (p <.01) and accounts for 50% of the variance (Nagelkerke R = .499). FTSE 100 firms are 26 times more likely to publish a modern slavery statement than FTSE 250 firms (p <.01) and all industries are more likely to do so than Finance and Insurance. The difference is marginal in the case of industries like public administration and utilities but of a much higher magnitude for industries like manufacturing and wholesale/retail.

The TISC provision of the UK Modern Slavery Act requires firms to have their statements signed by a director or equivalent, endorsed by the company board and published on their website homepage. While our operationalisation of compliance relates only to the publication of a modern slavery statement, it is worth noting that 91% of statements were signed, 70% had company board approval and 78.3% were posted on the website homepage. As such, most statements were fully compliant. This is consistent with what other studies have found in their population samples (e.g. Voss et al., 2019).

That all bar one of FTSE 100 firms published a statement is not surprising given the public scrutiny they receive. The social legitimacy attached to combating modern slavery is high for them, which Oliver (1991) suggests makes institutional conformance more likely. FTSE 250 Finance and Insurance firms, by contrast, operate below the public radar and the nature of their operations and domestically centred supply chains means that they are not typically associated with modern slavery. The impetus to be institutionally compliant is less strong under such circumstances (Oliver, 1991). It would be a mistake, however, to assume that they are unaffected by modern slavery. Their sector typically

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2 The Standard Industrial Classification (SIC) code for each FTSE firm was obtained from FAME database.
outsources support services like facilities management and catering, which are high risk areas for modern slavery (Walk Free Foundation, 2018). Furthermore, criminals attempting to launder the proceeds of modern slavery crime pose significant operational risks (Financial Action Task Force, 2018).

5.2 Institutional pressures
The first part of our content analysis sought to identify sources of institutional pressure that firms include in their statements other than the UK Modern Slavery Act (see Table 1). While we do not claim that these represent the sum-total of modern slavery institutional pressures, the fact that firms mention them is noteworthy. The main source of institutional pressure we identify is international human rights accords. Approximately 65.7% of FTSE 100 firms and 33.5% of FTSE 250 firms cite at least one international accord as informing their stance on modern slavery. These include International Labour Organisation (ILO) Fundamental Principles, UN Global Compact Principles and UN Guiding Principles on Business Human Rights. BP Plc, for instance, aligns its policies with the UN Guiding Principles on Business and Human Rights while Associated British Foods Plc base their supplier policies on the Ethical Trade Initiative (ETI) Base Code. While adherence to these accords is voluntary, firms experience coercion from the originators of these accords and from NGOs to commit to them.

The second source of institutional pressure we identify is industry and multi-stakeholder initiatives for responsible SCM. Over 35% of FTSE 100 firms and 6.5% of FTSE 250 firms highlight in their statements how participation in these initiatives helps guide their approach to modern slavery. Specifically, there is acknowledgement of learning from industry best practice, exchanging ideas and working together to develop common standards. Describing its participation in Joint Audit Cooperation (JAC), a telecoms industry initiative designed to raise supplier standards, Vodafone explains how “JAC members collaborate closely, sharing resources to develop the appropriate supply chain standards and best practice and working together to assess and verify operational compliance”. It is through interacting with their peers, NGOs and civic society groups in this way that firms become exposed to mimetic pressures for combating modern slavery.

A third, more peripheral source of institutional pressure we identify comes from professional bodies and subject experts. These are the entities that DiMaggio and Powell (1983) associate with normative institutional pressure. Just under 4% of all FTSE firms namecheck Chartered Institute of Procurement and Supply (CIPS), which is the largest professional body in the procurement and supply field. BAE Systems UK draws attention to CIPS-accredited training for its employees and London Stock Exchange Group Plc describes using CIPS guidance for conducting supplier risk analysis. Another 19% of FTSE 100 firms and 5% of FTSE 250 firms refer to using subject experts like Supply Chain Sustainability School and Stronger Together to assist them with modern slavery training. These not-for-profit organisations, which educate industry about sustainable SCM and modern slavery, could also be said to exert normative pressure on their client firms.

The three sources we identify in the statements can be mapped onto coercive, mimetic and normative types of institutional pressure (DiMaggio and Powell, 1983). International accords and the NGO campaigning behind them coerce corporations into acting ethically, industry initiatives are where
firms copy the behaviour of their peers, and professional bodies and subject experts set standards of conduct for firms and their employees. Other institutional actors like trade unions, consumer advocacy groups and business representative bodies that could exert pressure on firms are not mentioned in the statements. In sections 5.3-5.7 below we present our results on the structural, policy and practice changes FTSE firms have made in response to modern slavery. Where appropriate, examples and quotations from statements are included to contextualise the results. The complete results for FTSE 100 firms, FTSE 250 firms and the combined total are contained in Table 2.

5.3 Structural responses
There are indications that FTSE firms are adjusting their structures in response to modern slavery. The creation of working groups, steering groups and advisory groups on modern slavery is one such adjustment. Approximately 27.3% of FTSE 100 firms and 9% of FTSE 250 firms have created at least one of these groups. By way of example, Centrica Plc formed a steering group to develop a modern slavery strategy in 2016 and Anglo-American Plc continues to develop its cross-functional human rights working groups. Establishing executive oversight on modern slavery represents a more common form of structural adjustment. It is in evidence in 58% of FTSE 100 firms and 35% of FTSE 250 firms. Essentially, these firms have assigned senior managerial functions or committees to take ownership of modern slavery risks. Only a very small proportion of FTSE firms (2.3%) have designated a member of staff to champion their modern slavery strategy.

5.4 Policy responses
Policy responses to modern slavery takes two forms. The first is the adoption of a standalone modern slavery policy. In nearly all cases these policies have been adopted since the UK Modern Slavery Act became law. This is one of the most direct links we find between modern slavery institutional pressure and corporate response to it. FTSE 250 firms are more likely to have a modern slavery policy than FTSE 100 firms (26.5% versus 13.1%). The reverse is the case for human rights policies, which may explain the difference. The second form of response is where firms have updated their existing policies to explicitly reference modern slavery. Over 66% of FTSE 100 firms and 38% of FTSE 250 firms have made such updates. The statement of Antofagasta Plc is typical in this regard. It states: “The Code of Ethics was reviewed and updated in 2016 to specifically prohibit the exercise of any form of exploitation or other behaviours constituting slavery or human trafficking”. Notably, over one in three firms use the phrase “zero tolerance” to describe their policy stance on modern slavery.

5.5 Practice responses
Making suppliers guarantee that their operations are free from forced labour, bonded labour and child labour is one of the most concrete practice changes we find. Approximately 72.7% of FTSE 100 firms and 51.5% of FTSE 250 firms have amended their supplier contract terms in this way. Croda’s statement gives some insight here: “As part of our contracting processes, during the course of 2017 modern slavery contract clauses are being included in all new purchasing contracts”. Additionally, 43% of FTSE 100 firms and 28% of FTSE 250 firms require written declarations of compliance by suppliers to agreed standards on modern slavery prevention. This can be seen in BHP Billiton’s statement: “Our Requirements for Supply standard was amended during FY2016 to expressly state the requirement for prospective suppliers to accept the zero tolerance requirements [on modern slavery] in writing”.

<Insert Table 2 here>
There are signs of change in how firms risk-assess and manage their supply chains. While the vast majority refer to generic risk assessment, 15.1% describe using modern slavery guides like Global Slavery Index and Trafficking in Labour Report. Over 47.5% of FTSE 100 firms and 25.5% of FTSE 250 firms survey suppliers on modern slavery or related areas. Aviva Plc, for instance, state how they “selected over 300 suppliers which were then engaged through a survey which included questions relevant to assessing the risks of modern slavery”. FTSE firms are also obliging their supply chain partners to combat modern slavery. Requiring tier-one suppliers to have modern slavery policies (13.7%) and expecting them to “cascade” human rights standards down the supply chain (26.8%) are two such examples. Where modern slavery is uncovered, 53.5% of FTSE 100 firms and 29% of FTSE 250 firms have remediation procedures to deal with it. Slightly lower percentages say they terminate the contract if remediation proves unsuccessful.

As well as making changes to SCM practice, FTSE firms are creating new metrics or enhancing existing metric sets. We find that 45.5% of FTSE 100 firms and 25% of FTSE 250 firms have at least one key performance indicator (KPI) on modern slavery. The two most common are suspected cases of modern slavery and coverage rates for modern slavery training. Other KPIs relate to auditing suppliers, conducting risks assessments and supplier conformance with corporate codes or industry standards. In the main, these KPIs did not exist prior to the UK Modern Slavery Act and can be understood as a direct consequence of its transparency expectations. Indicated by its use as a KPI, training on modern slavery is another change that firms have implemented. More than 91% of FTSE 100 firms and almost 80% of FTSE 250 firms have provided training to their own staff. The rate of training provision for suppliers is much lower, with only 27.3% of FTSE 100 firms and 7% of FTSE 250 firms making it available.

5.6 Summary of results
FTSE firms are found to have made various organisational changes related to modern slavery. These changes signal to institutional stakeholders (Dowling and Pfeffer, 1975) that the firm is committed to preventing modern slavery entering its supply chain. We illustrate this relationship in Figure 1. FTSE 100 firms are more likely to have made changes in most aspects of structure, policy and practice than FTSE 250 firms. We contend that this is linked to their greater institutional exposure. Consistent with this claim, there are statistically significant correlations between the institutional pressures referred to by firms in their statements and most of the major changes made. For instance, adhering to international human rights accords is associated with having a human rights policy \( r = .345, p < .01 \) and updating existing policies to reflect modern slavery \( r = .274, p < .01 \). Equally, participating in a multi-stakeholder initiative is associated with establishing a modern slavery working/steering group \( r = .253, p < .01 \) and specifying KPIs on modern slavery \( r = .328, p < .01 \).

6 Discussion
Debate over modern slavery and its implications for firms and their supply chains has increased since the TISC provision of the UK Modern Slavery Act was introduced. Researchers have already looked at statements released by UK firms and what they reveal about corporate preparedness for modern slavery (Business and Human Rights Resource Centre, 2016; Ergon Associates, 2017; Office of the Independent Antislavery Commissioner, 2018). Our study has sought to extend this line of inquiry by
viewing corporate responses to modern slavery through the lens of institutional theory. Theoretical framing of this kind has been missing from the literature, which limits our ability to explain why firms behave in socially responsible ways. Institutional theory is used for confirmatory purposes in this study. In other words, we used institutional theory to predict that firms would make specific changes to their structures, policies and practices in response to societal concern over modern slavery. The results provide reasonable evidence of firms making these changes.

The institutional theory perspective suggests that campaigning and advocacy on modern slavery by government, NGOs, civic society organisations and consumer groups will pressure firms into making changes to their operations (Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Campbell, 2007). We find several instances where firms have made such changes, be it in the adoption of modern slavery policies, updating contractual terms for suppliers, developing KPIs for modern slavery or creating high-level working groups. These are organisational adaptations to the institutional pressure that firms face over modern slavery. By making these changes firms are signalling to the UK government and other institutional stakeholders that they too are concerned about modern slavery and will play their part in combating it. To paraphrase Dowling and Pfeffer (1975), firms are demonstrating that their values and beliefs about upholding human rights in the supply chain mirror those of wider society. Admittedly, not all the signalling we observe is substantive. Peppering modern slavery statements with phrases like “zero tolerance” might convey serious intent on the part of FTSE firms but it means little in practice.

While we find that firms are responding to modern slavery concerns, the response is not uniform. Firms in industries like wholesale/retail and manufacturing have made noticeable changes across their structures, policies and practices. At the other end of the spectrum are firms, predominantly in Finance and Insurance, who have not even published a modern slavery statement. Theorising by Oliver (1991) and recent empirical observations by Birkey et al. (2018) suggest that this is due to the salience of modern slavery to different industries. Modern slavery has high salience for wholesale/retail and manufacturing, as their supply chains are complex and typically extend into developing regions that present a high risk of modern slavery (Walk Free Foundation, 2018). The impetus for them to act against modern slavery, and to be seen to act against it, is strong. This is less so for Finance and Insurance firms, although as we argued in section 5.1, they are not immune to modern slavery risks.

As well as industry, firm size is deterministic of corporate responses to modern slavery reporting. We see this, firstly, in the longer statements of FTSE 100 firms and, thereafter, in the wider range of anti-slavery initiatives disclosed in their statements. We rationalise this size effect in terms of the added institutional pressure FTSE 100 firms experience over modern slavery prevention. As our findings show, FTSE 100 firms are more likely to be influenced by international human rights accords, part of multi-stakeholder initiatives and soliciting input from subject experts than FTSE 250 firms. These constitute the types of regulative, mimetic and normative forces that DiMaggio and Powell (1983) identified as shaping corporate behaviour. The inference we draw, which is based on observed statistical correlations, is that the institutional exposure of the largest firms pushes them to greater action on modern slavery prevention.

Based on the predictions of DiMaggio and Powell (1983), modern slavery institutional pressures should bring about similarities in how firms look and behave. Our findings indicate that this is already happening by the way firms are using the same language in their updated supplier contracts,
preferring the same KPIs and deciding on the same policy adjustments. This corresponds to what Christ et al. (2019) documented about Australian corporations emphasising the same themes in their discussion of modern slavery. Like Stevenson and Cole (2018), we believe that firms will converge on a common set of policies and practices as modern slavery becomes part of mainstream business thinking. To quote the same authors, “it seems reasonable to expect there to be greater homogeneity across statements over time as it becomes clear what is considered a legitimate response” (Stevenson and Cole, 2018, p. 93). The homogeneity effect is unlikely to be limited to supply chain leaders, either. As we showed in our findings, FTSE firms are pressuring supply chain partners to mirror their ethical standards, which means suppliers adopting modern slavery policies and contractually prohibiting forced labour and child labour, among other actions.

7 Conclusion
7.1 Contributions
This paper has several contributions to make to business management and responsible SCM. It puts modern slavery research onto a firmer theoretical footing by showing that institutional theory has utility in accounting for corporate responses to the TISC reporting obligations of the UK Modern Slavery Act. Institutional theory has been used to good effect in explaining the emergence of “green” supply chains and ethical sourcing (Moxham and Kauppi, 2014; Sancha et al., 2016; Sayed et al., 2017). Its extension to research on modern slavery is, therefore, logical and helps to situate modern slavery within the broader field of sustainable SCM. The results of the paper complement previous research on modern slavery reporting (Business and Human Rights Resource Centre, 2016; Ergon Associates, 2017) while providing additional statistical insight on explanatory factors for institutional compliance. Finally, the paper adds to the literature on modern slavery specifically (Gold et al., 2015; New, 2015; Stevenson and Cole, 2018) and labour rights in supply chains generally (Yu, 2009; Park-Poaps and Rees, 2010; Preuss and Brown, 2012; Egels-Zanden and Lindholm, 2015).

7.2 Practitioner implications
Our study points to the strengths and weaknesses of TISC as a policy instrument. On the one hand, TISC has succeeded in inducing corporations to strengthen their policies and practices for modern slavery prevention. It is unlikely that such improvements would have happened without government intervention. Moreover, this was achieved at minimal financial cost to the taxpayer. The fact remains, however, that TISC is “light-touch” regulation. It is left up to firms to decide their approach and up the public and NGOs to hold them accountable (HM Government, 2015). While this may work with supermarkets and retailers, as witnessed by the creation of the Seafood Taskforce in response to consumer concern over chattel slavery in the Thai prawn sector, its applicability to firms not in the public spotlight is questionable. This is corroborated by our finding that lesser-known FTSE firms are more likely to make tokenistic statements or avoid reporting altogether. How to address this imbalance in oversight deserves policy-maker consideration. One option is to put modern slavery reporting under the auspices of industry regulatory authorities. For example, make the Financial Conduct Authority (FCA) responsible for overseeing modern slavery reporting by Finance and Insurance firms.

7.3 Limitations and future research

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3 www.seafoodtaskforce.global
While our study identifies the changes that firms say they have made in respect of modern slavery, it does not assess their impact. Risk management strategies like introducing a global code of conduct and auditing supplier performance against its standards are not necessarily as effective as firms assume in preventing labour rights abuses (Egels-Zanden and Lindholm, 2015). To move this line of inquiry forward, we recommend assessing the impact of changes that firms have made. Inter alia, this could involve case-based research into the outcomes of supplier remediation programmes, survey-based research into the knowledge, skills and attitudinal effects of modern slavery training for employees, and mixed-method inquiry into supplier perceptions of focal firms’ new requirements over modern slavery prevention. A second limitation of our study is that it only examines FTSE firms. Changes made by firms outside this group, including firms that are not publicly traded and firms in the public and not-for-profit sectors, need to be analysed for comparative purposes.

A third limitation is that the study does not provide granular accounts of the implementation of modern slavery strategies. The emphasis, instead, is on taking a panoramic view of events. Following the lead of Pinheiro et al. (2019), opportunities exist to conduct in-depth case analyses into how focal firms manage the organisational challenges of de-risking their supply chains from modern slavery. Tensions between responsible SCM and financial constraints deserve special attention (Egels-Zanden et al., 2015). Finally, the study bases its analysis on inaugural modern slavery statements. It is probable that firms’ ability and willingness to respond to institutional pressure over modern slavery will increase in the coming years, particularly as mimetic forces take effect. With this in mind, we recommend that researchers periodically assess the actions that firms are taking in response to modern slavery. This is made achievable by the legal requirement on firms to update their modern slavery statement each financial year.
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