

Reshoring decision-making and implementation: A behavioural perspective

Abstract

Over the last decade, reshoring has increasingly attracted the attention of practitioners, policy makers and scholars. While a significant number of articles have analysed drivers, locations and activities involved in reshoring decisions, the *decision-making* and *implementation* processes (i.e., “how to reshore”) still lack empirical analyses. In addition, the few existing frameworks do not include the behavioural aspects characterizing human decision-making, that have proved to be relevant in the case of offshoring and reshoring decisions.

Through a multiple case study approach, this paper seeks to address this gap by shedding light on the phases of the two aforementioned processes, the information collected, the stakeholders involved, and the criticalities faced. Based on the empirical analyses and the use of the behavioural perspective, we develop four original propositions that might guide both future research and management practice in this field. In addition, the results from the cases provide a reference for companies willing to implement a reshoring decision and in search for past experiences on which to build on.

Keywords: Backshoring; Reshoring; Operations Management; Supply Chain Management; Bounded-rationality; Process

1 **1. Introduction**

2 Starting from the '80s, firms tended to concentrate high value-added activities (such as research
3 and development, marketing and post-sales services) in developed countries, and to move low
4 value-added activities, such as labour intensive manufacturing processes, to developing
5 countries (Gereffi and Fernandez-Stark, 2016). This phenomenon is known in Economics and
6 International Business literature as “Smiling Curve”, a concept first introduced in 1996 by the
7 founder and president of Acer, who observed that the share of value added was shifting from
8 the production stages to the pre- and post-production ones (Shih, 1996). The direct consequence
9 of this trend is the movement of the lowest value-added stages towards developing countries,
10 thus creating the so called global value chains (Baldwin et al., 2014). At the firm level, this
11 phenomenon gives rise to the offshoring trend, i.e., companies moving their (not core) activities
12 to foreign countries, seeking for higher efficiency, specific resources, new markets and/or
13 strategic assets (Dunning, 1988). However, the growing awareness of the hidden costs of
14 offshoring (e.g., longer lead times, transportation costs, intellectual property losses, and cultural
15 differences) and of the benefits generated by the control of the production stages (e.g., industrial
16 commons) have recently led many companies to re-think their international value chains in
17 terms of location and sometimes to reshore their production activities (i.e., bring them back
18 home).

19 The reshoring phenomenon has gained increasing attention in the last decade. After the global
20 recession, governments have started to idealize reshoring as the panacea for unemployment
21 issues. Press and consultancy companies followed this wave, by developing reports and studies
22 on scale and potentialities of the phenomenon (Booth, 2013; PricewaterhouseCoopers, 2012;
23 Sirkin et al., 2013). Academic literature has not pulled back from the opportunity to explore the
24 new trend from different perspectives, contributing to increase the research interest on the topic
25 (Barbieri et al., 2018; Di Mauro et al., 2018). After the first explorative articles, aimed at gaining
26 an overview of the phenomenon and understanding whether it could be classified as a new
27 global trend (Ellram et al., 2013; Kinkel, 2012), an urgent call to better define and characterize
28 the phenomenon was launched by Gray et al. (2013). In fact, multiple terms have been used
29 after the first article was published in 2009 (Kinkel and Maloca, 2009). However, “reshoring”
30 has been acknowledged as the most common label both among academics and practitioners
31 (Barbieri et al., 2018; Wiesmann et al., 2017a), and will therefore be used in this article. Despite
32 the differences in terminology, some elements are shared across the recent literature on the
33 *reshoring* definition (Fratocchi et al., 2014; Gray et al., 2013; Wiesmann et al., 2017a): i) it is
34 a location decision; ii) it can involve a change in the ownership; iii) it is the reverse of the

1 offshoring decision, so it involves only previously offshored activities.
2 Moreover, this paper follows the assumption made by Fratocchi et al. (2014) that reshoring
3 does not necessarily involve the complete closure of the company's offshore activities, which
4 could be reconverted to the production of different products or simply reduced in volume.
5 Generally, the literature has focused on motivations (drivers), locations (e.g., low costs or
6 developed countries), activities (e.g., labour or capital intensive) and governance modes
7 (Fratocchi et al., 2014; Wan et al., In Press). The reshoring decision-making and
8 implementation processes are instead under researched (Wiesmann et al., 2017; Barbieri et al.,
9 2018), and often included into the future research avenues suggested by scholars (Bals et al.,
10 2016; Barbieri et al., 2018; Ketokivi et al., 2017; Stentoft et al., 2016; Wiesmann et al., 2017a).
11 Barbieri et al. (2018) ranked these topics as one of the main priorities for reshoring research. In
12 fact, little knowledge has been gained in previous research about how firms decide to reshore
13 and how they implement this decision (the "how" question identified by Barbieri et al., 2018).
14 Moreover, studying the two processes together can help in understanding which information is
15 collected before and after the decision and to assess whether companies actually wait to take
16 the decision until when they have complete and accurate information (Hartman et al., 2017).
17 Consequently, the primary goal of our paper is to shed light on how companies take reshoring
18 decisions and implement them, by highlighting the main phases, the information collected, the
19 actors/stakeholders involved, and the main criticalities faced in each phase. Accordingly, the
20 first research question addressed in this research is the following:

21 *RQ1: How are the reshoring decision-making and implementation processes structured?*

22 Moreover, the existing frameworks usually assume a rational and sequential approach to
23 reshoring decisions and do not include the behavioural aspects characterizing human decision-
24 making that have proved to be relevant, not only in the context of the Operations Management
25 (Bendoly et al., 2006; Gino and Pisano, 2008; Mantel et al., 2006), but also in the specific case
26 of reshoring (Gray et al., 2017). In particular, considering behavioural aspects in the case of
27 reshoring is helpful in explaining even reshoring decision that might seem illogical when
28 interpreted with the classical theories used to frame manufacturing relocation decisions (Gray
29 et al., 2017; Gylling et al., 2015; Di Mauro et al., 2018). Hence, in this paper we put attention
30 to the behavioural aspects that might drive the reshoring decision and the related process, and
31 our second research question is the following:

32 *RQ2: How behavioural aspects affect the reshoring decision-making process?*

33 In order to answer to the aforementioned research questions, we rely on a multiple-case study,
34 that allowed us to derive insights from four cases in the textile-clothing-leather-footwear

1 (TCLF) industry. Particularly, the empirical results shed light on the critical points to which
2 researchers, managers and policy makers should pay attention when considering reshoring
3 decision-making and implementation.

4 The remainder of this paper is structured as follows. First, we present the background and
5 research framework. Second, we explain and justify the adopted methodology. Then, we
6 present and discuss the main results. Finally, conclusions, limitations and future research
7 avenues close the paper.

9 **2. Background and research framework**

10 In our view, two streams of Operations Management (OM) literature are relevant for our
11 research. The first one is focused on reshoring and provide evidence on drivers and motivations
12 of the phenomenon as well as on decision-making and implementation processes (despite
13 literature on these two last topics is scant). The second one is instead focused on behavioural
14 decision-making and sheds light on how the decision-making works in a context characterized
15 by bounded rationality and not fully available information.

16 In this section we summarize the two above mentioned streams of studies and we develop our
17 conceptual framework.

18 *2.1 Reshoring*

19
20 The most recent systematic literature reviews on reshoring (Barbieri et al. 2018; Wiesmann et
21 al., 2017) acknowledged that a significant part of the literature have so far focused on the drivers
22 or motivations of reshoring. Initially, the researches contributed to outline a “dual view” of
23 reshoring (Barbieri et al., 2018), by interpreting it either as a correction of a managerial mistake
24 (Grandinetti and Tabacco, 2015; Gray et al., 2013; Kinkel and Maloca, 2009) or as a strategic
25 decision to face exogenous or endogenous changes (Fratocchi et al., 2015; Gylling et al., 2015;
26 Martínez-Mora and Merino, 2014). More recent studies proposed instead a wider set of
27 reshoring motivations/drivers and classified them. To this regard, Barbieri et al. (2018)
28 recognized that the literature has followed two main approaches to classify drivers: the first is
29 aimed at grouping motivations in homogeneous categories (e.g., Stentoft et al., 2016, Zhai et
30 al., 2016; Wiesmann et al., 2017), the second is instead oriented to the use of theory-driven
31 classification criteria grounded on Dunning’s eclectic paradigm or on Transaction Cost
32 Economics and Organizational Buying Behaviour (e.g., Ancarani et al., 2015; Bals et al., 2016;
33 Fratocchi et al., 2016; Foerstl et al., 2016).

1 Barbieri et al. (2018) proposed instead a classification that tries to take into account all the
2 previously described approaches. They first separated drivers between strategic decisions and
3 managerial mistakes; then they further divided strategic decision drivers into internal and
4 external environment; and finally proposed a homogeneity-wise classification to reach the
5 lowest level of classification. All the above mentioned studies contribute to demonstrate the
6 heterogeneity of factors driving the reshoring decisions (Di Mauro et al., 2018) and therefore,
7 the intrinsic complexity that decision-makers have to face (Gray et al., 2017).

8 The identification of the drivers represents the first step towards a better understanding of the
9 reshoring decision-making. In fact, these factors should be taken into account by companies
10 during the decision-making process and monitored during the implementation. After having
11 gained a widespread understanding of the drivers (the “Why” question according to Barbieri et
12 al., 2018), the literature is therefore progressively evolving towards understanding “How” these
13 drivers are considered, i.e. “How” companies decide and implement the decision.

14 Fratocchi et al. (2014) made a first attempt to conceptualize the manufacturing
15 internationalization as a multi-step process, which considers the dynamic continuum between
16 offshoring and reshoring. Particularly, in the first step a firm may decide to internationalize part
17 of its activities in a foreign country either in its home region (nearshoring) or outside
18 (offshoring). In the second step, the company may decide to modify its decision by moving the
19 previously internationalized activities either in a different country outside its home region
20 (further offshoring), in a different country in its home region (nearshoring) or to bring it back
21 to the home country (reshoring). These decisions can be revised/modified several times, thus
22 indicating a dynamic nature of the internationalization strategy (Fratocchi et al., 2014).

23 More recently, Joubioux and Vanpoucke (2016) developed, and empirically refined through a
24 multiple-case study in the aeronautical industry, a conceptual framework to guide location
25 decision-making. This framework encompasses the initial offshoring decision, the
26 reconsideration of this decision and the “new” decision. While the initial offshoring decision is
27 analysed in detail within the framework (by considering the firm’s strategy, the analysis of risk,
28 opportunity and constraints, and the entry mode), the reconsideration and “new” decision – i.e.,
29 reshoring in our case – is viewed as a change in the decision factors without any further in-
30 depth analysis.

31 Bals et al. (2016) proposed instead a reshoring decision-making and implementation process
32 framework, with the main objective to frame future research avenues. The framework – drawn
33 by the authors from previous literature on outsourcing and offshoring without an empirical
34 validation – encompasses a linear process consisting of eight phases, as reported in Table 1.

Reasonably, what separates the decision-making from the implementation is the decision. To the best of our knowledge, this article is the only one taking into account both decision-making and implementation, thus suggesting their very strong interplay.

Table 1 – Phases of the decision-making and implementation processes (Bals et al., 2016)

Decision-making	<ol style="list-style-type: none"> 1. Determine the current boundary of the firm 2. Capability and performance analysis of current state 3. Information gathering on alternatives (including own capabilities) 4. Data analysis and solution development 5. Shoring sourcing decision
Implementation	<ol style="list-style-type: none"> 6. Disintegration at former source/location 7. Relocation to new source/location 8. Reintegration to connect with other value creation activities

Finally, Gray et al. (2017) developed a model of offshoring-reshoring decisions based on empirical evidences from several SMEs. While the previous mentioned frameworks theorized the presence of a decision-making (and in some cases of an implementation) process made of well-defined phases, Gray et al. (2017) conveyed a sense of intrinsic complexity in the decision-making process; in fact, they develop a system dynamics model that allow the simulation of complex and dynamic behaviour, capturing also loops in the process and time delays. The authors suggested that the complete analysis of all costs and benefits of offshoring versus reshoring would not help companies in their decision-making processes, since it would just slow down the process (given the uncertainty characterizing the location decisions and the difficulty in developing accurate forecasts). They rather strived for the “ecological rationality” concept (Gigerenzer, 2008) and advise using tools whose analysis level would consider the complexity and uncertainty of the decisions.

2.2 Behavioural decision-making in OM

Many traditional theoretical models in the OM field are based on the assumption that decisions are made in a rational way, i.e., assume a rational decision-making process (Gino and Pisano, 2008). A rational decision-making is characterized by the analysis of comprehensive information, the development of alternative actions and the selection of the one that optimizes a specific utility model (Eisenhardt and Zbaracki, 1992; Mantel et al., 2006; March and Simon, 1958). This kind of process implies an active decision-making, which is “*intentional and*

1 *conscious, involving a much greater degree of information search and analysis*" (Dutton, 1993,
2 p. 342).

3 After Simon's (1955) pioneering work, scholars have started to realize that managerial
4 decision-making does not always follow the rational model rules (Busenits and Barney, 1997).
5 In fact, decisions are made by humans, who are "bounded" in their ability to acquire and process
6 information (Mantel et al., 2006) and prone to achieve satisfaction of constraints rather than
7 objectives optimization (Gigerenzer and Brighton, 2009). As a consequence, decision-makers
8 tend to be biased and use simplified heuristics when dealing with complex problems (Mantel et
9 al., 2006; Tversky and Kahneman, 1974). Biases and heuristics are "*decision rules, cognitive,*
10 *mechanisms, and subjective opinions people use to assist in making decisions*" (Busenits and
11 Barney, 1997, p. 12), as such they are applied in automatic, bounded-rational decision-making
12 (Dutton, 1993).

13 As one could imagine, a rational decision-making involves a sequence of phases (e.g.
14 identification, development and selection). Instead, in a bounded-rational decision-making
15 process, the same phases do not display the same sequential relationship (Eisenhardt and
16 Zbaracki, 1992). As an example, Mintzberg et al. (1976) show that decisions follow multiple
17 routines in each phase and that phases and routines might repeat without adhering to a specific
18 sequence. Instead, Gino and Pisano (2008) identify four steps that are part of the decision-
19 making process, independently from the specific OM context considered: (1) Acquisition of
20 information; (2) Processing of information; (3) Outcome; (4) Information received through
21 feedback.

22 Multiple studies have investigated the suitability of the two types of decision-making, finding
23 evidence of the relevant variables to consider. Among others, the mostly cited variables include:
24 complexity (Busenits and Barney, 1997; Eisenhardt and Zbaracki, 1992; Gino and Pisano,
25 2008); risk and uncertainty (Busenits and Barney, 1997; Li et al., 2014; Mantel et al., 2006);
26 information availability (Gigerenzer and Brighton, 2009; Gray et al., 2017); and personal traits
27 of the decision-makers (e.g. experience, issue familiarity and relevance to the self, role in the
28 organization) (Busenits and Barney, 1997; Dutton, 1993). These studies found evidence that in
29 an environment characterized by high complexity, high uncertainty or information paucity, less
30 rationality is not only required, but even preferable. Similarly, a decision-maker that is either
31 experienced, strongly connected to the decision under evaluation or showing familiarity with
32 the decision will be prone to be less rational (Dutton, 1993). In addition, Busenits and Barney
33 (1997) propose that entrepreneurs, more used to face complex and uncertain situations, are less
34 rational in making decisions than managers.

1 Unexpectedly, even with its limitations, bounded-rational decision-making have proved to be
2 effective and efficient, given that it is less time-consuming and leads to higher accuracy in
3 uncertain and complex environments (Busenits and Barney, 1997; Gigerenzer and Brighton,
4 2009; Gray et al., 2017). Nevertheless, organizations need to become aware of the biases that
5 can be introduced in this kind of decision-making and put in place specific actions to overcome
6 them (Eisenhardt and Zbaracki, 1992; Gino and Pisano, 2008; Mantel et al., 2006).
7 Acknowledging the impact of human behaviour on decision-making, many fields have started
8 to introduce behavioural considerations in their theories (e.g. economics, finance, marketing)
9 (Gino and Pisano, 2008). Only recently, OM started to follow the lead of the other fields
10 (Bendoly et al., 2006; Gino and Pisano, 2008; Mantel et al., 2006). In fact, many OM contexts,
11 characterized by complexity and uncertainty, face the risk to be affected by decision-making
12 biases (Gino and Pisano, 2008). Among others, decisions connected to the Supply Chain (e.g.
13 make or buy, manufacturing location decisions) potentially have all the characteristics
14 underlying a bounded-rational decision-making (Mantel et al., 2006). Also in the context of
15 reshoring, being such decision usually characterized by high complexity and uncertainty (Gray
16 et al., 2017; Wiesmann et al., 2017b), various researchers have claimed that decision-making
17 can show bounded-rational features (e.g. use of heuristic, emotional attachment, personal
18 feelings and mood influence) (Gray et al., 2017; Gylling et al., 2015; Di Mauro et al., 2018).

19

20 *2.3 Literature gaps and conceptual framework*

21 With the purpose of guiding our research, we developed an initial conceptual framework, based
22 on the literature presented in this section (see Figure 1). The framework helps in visualizing the
23 decision-making and implementation processes and their building blocks. In particular, we
24 retrieve from reshoring literature the identification of the three steps in the internationalization
25 process (Fratocchi et al., 2014). First, the initial location decision should be identified, given
26 that it is an antecedent of the reshoring decision and might influence the perception of the
27 decision-makers in the subsequent decisions (Bals et al., 2016; Kahneman and Lovallo, 2003;
28 Mantel et al., 2006). Next, the decision-making takes place. Generally, the location decision-
29 making involves multiple stages with many influencing factors that vary dynamically.
30 Moreover, the uncertainty usually characterizing these decisions implies considerable expenses
31 in terms of time and resources (Stentoft et al., 2018; Theyel et al., 2018). Finally, once the
32 decision has been taken, the reshoring implementation process takes place. In conclusion, the
33 approach taken by these studies assumes a linear process where the implementation process
34 follows the decision-making one (Bals et al., 2016; Barbieri et al., 2018).

1 On the contrary, the behavioural decision-making literature suggests an overlap between
2 decision making and implementaiton processes along the following steps: acquisition of
3 information, processing of information, outcome and information received through feedback
4 (Gino and Pisano, 2008). According to Gino and Pisano (2008), these phases occur in all the
5 different settings proper of OM (e.g. product development and R&D, project management,
6 supply chain management, forecasting, inventory management, and management of
7 information technology). The acquisition of information involves data gathering from different
8 sources (e.g. market, competitors, experimentation, previous experience). Processing of
9 information means the analysis of the collected data, many biases can affect the decision in this
10 stage (e.g. overconfidence, inconsistency, use of heuristic). The outcome phase involves the act
11 of making the final decision and implementing it. Finally the information received through
12 feedback helps to build on the experience and to inform future decision-making processes (Gino
13 and Pisano, 2008). As suggested by the literature on bounded-rational decision-making, the
14 sub-phases are assumed to interact with each other (Eisenhardt and Zbaracki, 1992). Therefore,
15 contrarily to what has been assumed by the reshoring literature, the behavioural decision-
16 making literature questions the sequentiality of phases, leaving room for exploratory studies on
17 this topic.

18 The conceptual framework depicted in Figure 1 attempts to bring together the two considered
19 literature: the reshoring literature, with its traditional approach looking at the decision-making
20 and implementation as sequential phases, and the behavioural decision-making literature, in
21 which the phases proper of the decision-making, as well as the decision implementation, are
22 overlapping and generating loops. In this study, we adopted the traditional approach, proper of
23 the reshoring literature, in the data collection. Instead, we relied on the behavioural decision-
24 making to argument and discuss the empirical evidences.

25

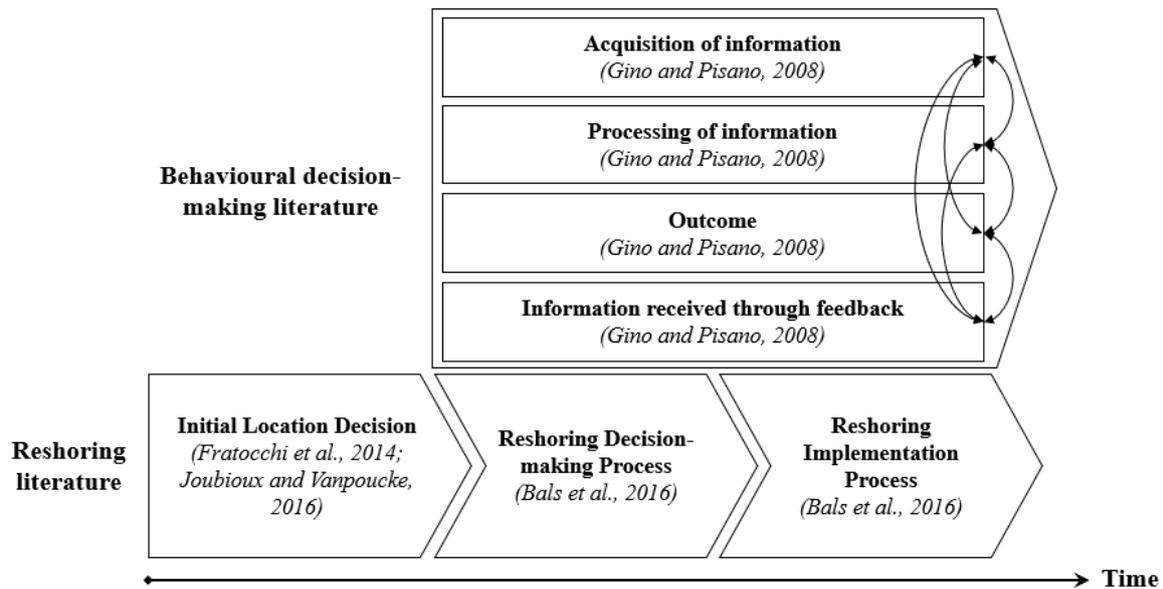


Figure 1 - Conceptual framework

3 Methodology

Wiesmann *et al.* (2017) observed in their literature review a predominance of theoretical and conceptual papers on reshoring and argued that this is because reshoring is an emerging and still unexplored phenomenon. In addition, Barbieri *et al.* (2018) recommended relying on case studies to gain an in-depth understanding of the reshoring decision-making and implementation processes. We therefore decided to adopt a multiple case-study methodology. Case research can be used for exploration, theory building, theory testing and theory elaboration/refinement (Ketokivi and Choi, 2014). The primary purpose of our work is exploration, given that (1) extant literature on the topic is scant (see the literature review section) and (2) there is no established theoretical framework.

We adopted a theoretical sampling method and selected homogeneous cases in term of industry and reshoring country (Eisenhardt, 1989; Patton, 2002). Despite this approach might reduce the possibility to generalize findings, it ensures that variation is not caused by extraneous or confounding variables (e.g. Saunders *et al.*, 2003).

Four cases were carried out in the TCLF industry in Italy (see Table 2). This industry was selected since it has been one of the most affected by globalization in the last decades and, consequently, by the reshoring phenomenon in more recent years (Di Mauro *et al.*, 2018; Fratocchi *et al.*, 2016). Moreover, this choice has been strategic, given that it allowed us to leverage on the results provided by Di Mauro *et al.* (2018), who studied motivations, governance modes and location choices of companies from the same industry and country.

1 Table 2 summarizes the main characteristics of the cases. Because a reshoring decision is often
 2 related to “intangible” drivers, such as the company image, respondents may be prone to
 3 highlight the successful aspects of the operation and describe the decision-making process as a
 4 very logical sequence of steps. To avoid this social desirability bias (Chung and Monroe, 2003),
 5 we ensured companies anonymity.

6
7 *Table 2 - Summary of cases*

Case	Core business	Product/ component object of the relocation	Turnover 2016 (mln €)	Employees 2016	Starting country → Final country	Relocation year	Governance mode (Offshoring→ Reshoring)
A	Total look clothing	Seamless sweater	>50	>250 (Group)	Croatia → Italy	2016	Outsourcing→ Insourcing
B	Zips fastener	High-end zip fasteners	2-10	10-50 (Italy) – 50-250 (China)	China →Italy	2010	Insourcing→ Insourcing/ Outsourcing
C	Outer-wear	High technical content outerwear	10-50	10-50 (Italy) – >250 (Romania)	Romania → Italy	2014	Insourcing→ Insourcing
D	Dyeing	Dyeing of basic colors yarns	2-10	50-250	Hungary→ Italy	2011	Insourcing→ Insourcing/ Outsourcing

8
9 Considering that decision-making and implementation processes usually last various months
 10 (sometimes years), we adopted a retrospective longitudinal approach. Various strategies were
 11 adopted to minimize the two main issues of retrospective research: lack of memory and post-
 12 rationalization (Voss et al., 2016). The first problem is related to the impossibility to recall
 13 important events that happened a long time before; to overcome this problem the selection of
 14 the interviewees and the assessment of their knowledge about the events have been of
 15 fundamental importance (Voss et al., 2016). Post-rationalization concerns a change in the
 16 interpretation of events over time; consequently, we triangulated data from secondary sources
 17 (Voss et al., 2016).

18 The data collection involved semi-structured interviews (the interview protocol is reported in
 19 Appendix) and multiple researchers in order to achieve higher reliability. The coding process
 20 was also carried out by different researchers to ensure a robust and shared data reduction
 21 process (Miles and Huberman, 1994; Voss et al., 2016).

22 As suggested by Eisenhardt (1989), we first performed a within-case analysis, to become
 23 intimately familiar with each case without aiming at generalizing patterns among the cases;
 24 then, a cross-case analysis allowed us to generalize the conclusions drawn from the cases.

1 In order to avoid any confirmation bias (Nickerson, 1998), even if we had in mind an idea of
2 decision-making and implementation processes as presented in the conceptual framework, we
3 asked the respondents just to recall how the processes went and the decisions were taken.
4 Similarly, we reported the results of the within case analysis with the same logic, in order to
5 transparently present what the interviewees recalled.

6 The data collection and analysis were designed to guarantee construct validity, internal and
7 external validity and reliability (Voss et al., 2002). Particularly, the construct validity was
8 achieved through triangulation of data sources, as well as through the involvement of multiple
9 researchers in all the steps of the research. Internal validity was ensured by following a pattern
10 matching approach: the propositions were developed in an iterative way till theoretical
11 saturation was reached. External validity was strengthened thanks to the multiple case method
12 that allowed to compare results and evidences across cases. Finally, reliability was ensured by
13 the transparency of the research process as well as by the development of a research protocol
14 on which the semi-structured interviews were based (see Appendix).

16 **4 Results**

18 *4.1 Within-case analysis*

19 *4.1.1 Case A*

20 The company is headquartered in Northern Italy, where the high value-added activities are also
21 carried out (e.g. human resources management, design, purchasing, sales, and production
22 planning). Between 1990s and 2000s, the company delocalized its production activities first in
23 Spain, then in France, Tunisia, and Eastern Europe. Starting from 2005, the company has started
24 to outsource production activities to external suppliers as well as to a manufacturing company
25 belonging to the same group. In 2016, company A decided to bring back some machineries
26 from Croatia to Italy and start to produce again a specific product, a seamless sweater, there.
27 The machineries were bought from the mentioned manufacturing company belonging to the
28 same group of company A and partially updated with cutting edge technologies, thanks to the
29 collaboration with a strategic machinery supplier. Moreover, all the raw materials (yarn) and
30 accessories (e.g. zips, buttons) suppliers, selected for this product, are located in Italy, to ensure
31 the achievement of a true “Made in Italy” product. The “Made in” effect was indeed one of the
32 main drivers of the reshoring decision. Other drivers, according to the company’s Chief
33 Operating Officer (COO), were the higher level of automation allowed by the new technology
34 used, the development of innovative know-how, the higher service level towards the retailers,

1 the internal branding (towards the employees), and the proximity between production and
2 research and development (R&D). The main barriers were instead the labour cost, partially
3 compensated by the adoption of a higher automated technology, and the lack of some
4 competences in Italy, lost due to the extensive offshoring processes of the last decades.
5 Nowadays, company A has decided to stop the production of the seamless sweater and to bring
6 the machineries back again to Croatia. The main reason behind this choice is that the customers
7 have not appreciated the “new” product, therefore its production has been terminated.
8 The company has not followed a structured *decision-making* process during the reshoring
9 decision. The decision was triggered by the opportunity to improve the brand perception by the
10 customer and to use a low labour-demanding technology that allowed to reduce the cost gap
11 between Croatia and Italy. In the process, beside the Chief Executive Officer (CEO) and the
12 Chief Operating Officer (COO), various company departments were involved: marketing and
13 communication, the sales department and R&D. The decision-making process took two months
14 and entailed an analysis of the costs associated with the shipment of the machineries from
15 Croatia to Italy, the design and development of the new product, as well as, its pricing. The
16 final reshoring decision was made by the CEO.

17 After the decision was taken, everything has been set up in the reshoring location in Italy
18 (*implementation* process): the raw materials were ordered, the machineries were shipped to the
19 new production site, the human resources were hired through an internal process and trained.
20 After three months the production started, first with a pilot production and then with the regular
21 process. An ex-post analysis allowed to establish the differences in the production costs, lead
22 time, and margins. All these data, as well as the sales related data, were constantly monitored.
23 During the implementation process, the operations management function has been heavily
24 involved, to manage the production process.

25 Figure 2 provides a summary of the reshoring decision-making and implementation processes
26 of company A, with the detail of activities and involved stakeholders (in italics).

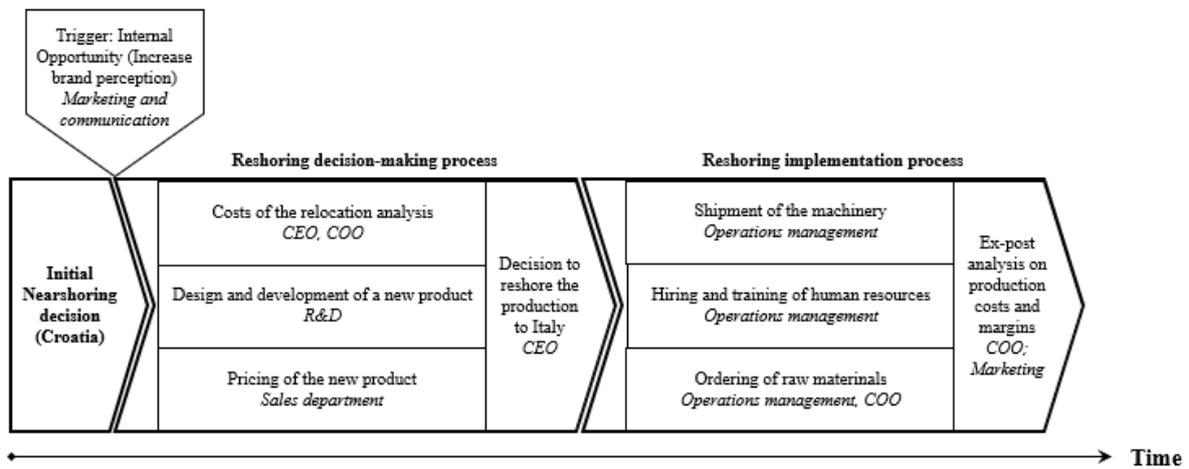


Figure 2 - Decision-making and implementation processes of case A

4.1.2 Case B

The company was established in Northern Italy and always maintained there its headquarters. It is a family firm and the strategic decisions regarding the company are taken by the two family members (father and son) who still run the company. In the 80s, the company opened a joint venture in China, where half of the employees (almost 100 people) were dedicated to the production activities. The Chinese plant is currently focused on the production of low-end products. In 2010, the company decided to move part of its manufacturing activities back to Italy, to extend the core business to high-end products (e.g. zips and other accessories for clothing and leather items) for luxury brands. The manufacturing activities of the low-end products were instead kept in the Chinese joint venture plant. The new plant in Italy is much less vertically integrated than the Chinese one; in fact, it is more economically convenient to outsource some activities to external suppliers, despite finding capable suppliers has been a real challenge for company B.

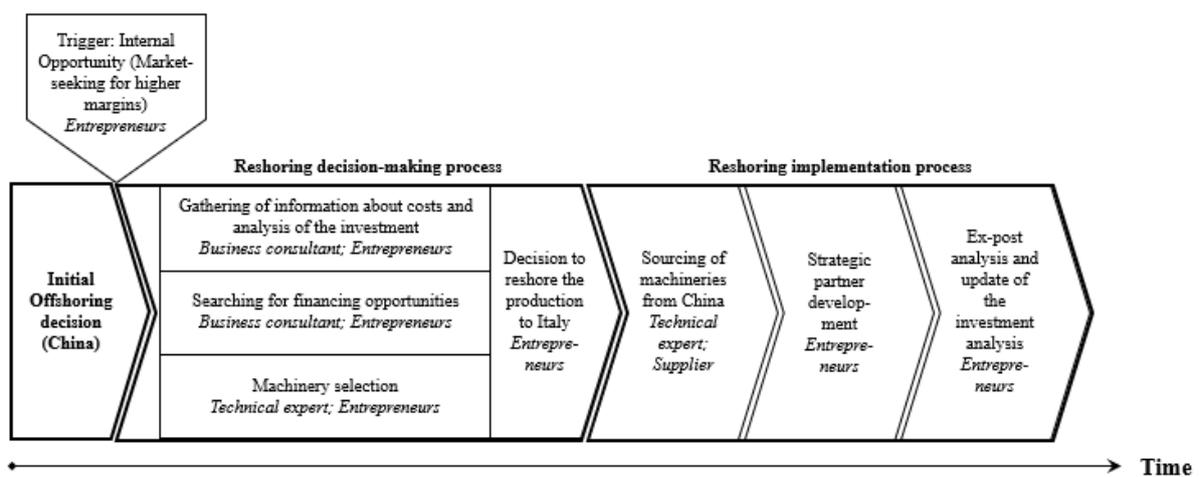
The main drivers of the relocation decisions, as stated by the company's Chief Executive Officer (CEO), were the search for a new and more profitable market, the need for a higher quality, having a "Made in Italy" product, guaranteeing a higher service level to the luxury brands, lower costs for quality control, and intellectual property protection. The main barriers have instead been the suppliers' shortage, an issue significantly underestimated by the company, the lack of public funding for reshoring initiatives, especially for SMEs, the establishment of commercial agreements among different brands that became part of larger groups (e.g. Kering, LVMH) that limited the freedom of supplier selection to a lot of company

1 B's potential customers, and the weakness of the case company's brand with respect to some
 2 bigger competitors (more likely to be selected by the large customers).
 3 The company has not followed a structured **decision-making** process during the reshoring
 4 decision. The decision was triggered by the opportunity to enter into a "new" more profitable
 5 market (high-end products for the luxury brands). The entrepreneur, eager to seize this
 6 opportunity, did not lose much time into data collection and analyses. General information
 7 about costs, financing opportunities, as well as the investment analysis were developed with the
 8 support of an external business consultant. The decision-making took almost six months and
 9 the people involved were the two entrepreneurs (family members), the business consultant and
 10 a technical expert to support the machineries selection.

11 After the decision was taken, the **implementation** took six months, the time needed to produce
 12 and import the machineries from China. Some criticalities were encountered during the process.
 13 First, it was more difficult than expected to penetrate the new market, thus leading to lower
 14 revenues and longer time to recover the investment. Moreover, the company missed to evaluate
 15 the presence and availability of suitable suppliers during the decision-making; this revealed to
 16 be a critical issue during the implementation, since the company had still to import some
 17 components from China, thus increasing its inventory costs. To resolve the issue, the company
 18 have had to make some additional investments to train and help some strategic partners to
 19 develop the needed competencies.

20 Figure 3 provides a summary of the reshoring decision-making and implementation processes
 21 of company B, with the detail of activities and involved stakeholders (in italics).

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Figure 3 - Decision-making and implementation processes of case B

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1 4.1.3 Case C

2 The company's headquarters are in Northern Italy, where all the high value-added activities
3 have always been maintained (e.g., administration, management, R&D, purchasing, sales,
4 quality control). Case C is a family firm at the third generation, with family members from two
5 generations involved in the top management. Starting from the '90s, the company has begun
6 the process of manufacturing delocalization to Romania. At the beginning, the activities were
7 entrusted to third-party suppliers. A fully-owned company was then founded in Romania in
8 1996. In 2008, the case company decided to run a production test in China. However, due to
9 quality issues all the manufacturing activities were brought back to Romania in 2011. In 2014,
10 because of the customers (high-end brands of technical and sport clothing) requests for small
11 batches of very high-quality and highly innovative products, the company decided to bring
12 some production activities back to Italy.

13 The production and foreign office manager has identified three main drivers of this reshoring
14 decision: the difficulty to produce small batches in Romania, the high technological content of
15 the products and the need to maintain a linkage between the high value-added activities and the
16 manufacturing. The main barriers have been the lack of competences in Italy (the company
17 should hire graduated people to find someone that have sewing abilities) and consequently the
18 high labour cost, which was partially compensated by the higher value recognized by the
19 customer to a "Made in Italy" product.

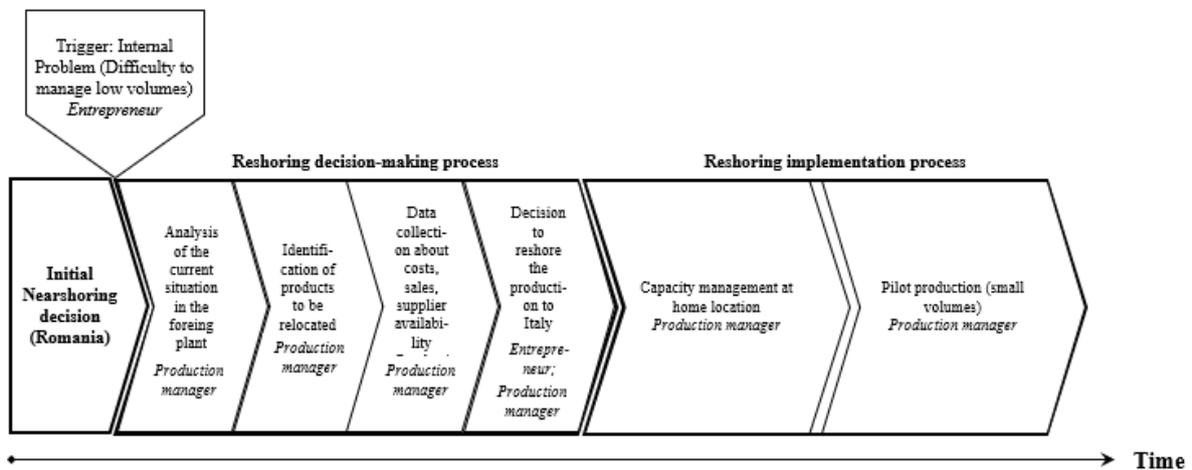
20 The company has followed a *decision-making* process made of few phases, to some extent
21 well-defined. The decision was triggered by the difficulty of the plant in Romania to manage
22 small volumes, as requested by some customers. Therefore, the first phase was an analysis of
23 the current situation, to evaluate the lowest batch size that the Romanian plant could handle.
24 Then, the products that could not be realized in Romania (due to the small batches required)
25 were identified and the company started looking for alternatives, such as outsourcing to external
26 suppliers in Romania or reshoring to Italy. Information was collected about the available
27 capacity at home, the costs connected with reshoring, the availability of potential suppliers and
28 the sales forecasts. All the data confirmed the convenience of the reshoring solution. The final
29 decision was made by the entrepreneur, with the support of the production manager. An
30 important role in making the process very fast (less than six months) was played by the
31 experience of the entrepreneur, and by the limited risk connected with the decision, given that
32 the plant in Romania was maintained (for products with larger batches).

33 After the decision was taken, the *implementation* was very short (almost immediate) given that
34 both the Italian and the Romanian plants were already operative. The company did not feel the

1 need to reintegrate production with the other activities, because this integration was not lost
 2 during the previous offshoring stage (the company maintained both the plant in Italy and in
 3 Romania). Some criticalities were encountered during the process because of the increased
 4 workload on the employees. The company tried to hire new employees, but this was a difficult
 5 task because of the competence shortage in Italy (its home country). On the contrary, the
 6 company found great support from the suppliers, that were willing to agree very convenient
 7 conditions just to support the increase of local (domestic) orders. The biggest benefit was an
 8 increase of sales thanks to the “Made in Italy” brand and this has convinced the company to go
 9 further in this pilot production and, for the next future, to bring an entire production line in
 10 Italy.

11 Figure 4 provides a summary of the reshoring decision-making and implementation processes
 12 of company C, with the detail of activities and involved stakeholders (in italics).

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Figure 4 - Decision-making and implementation processes of case C

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4.1.4 Case D

18 The company D is headquartered in Northern Italy and its core activities concern the dyeing
 19 and finishing of cotton yarns. It is recognized as one of the leading companies in the activities
 20 aimed at increasing the cotton yarn quality. However, it is an intermediate actor that struggles
 21 in maintaining its margin and is pressed both by suppliers and customers. To stand over this
 22 pressure, the company has strategically decided to establish very tight partnerships with its
 23 customers, thus making them aware of the difficulties faced and seeking for a collaborative
 24 problem solving. Of course, this puts its first customer in a very powerful position, given that
 25 almost 40% of sales depend on this customer. Following the request of the abovementioned
 26 strategic customer, in 2004 the company moved part of the production in Hungary, by acquiring

1 a local dyeing company. When in 2011 the customer decided to further offshore its production
2 from Hungary to Egypt, company D decided to reshore the production to Italy, where some
3 production capacity was still available.

4 During the offshoring experience, company D was also able to insource some activities, that
5 were not part of its traditional production process. After reshoring, these activities were then
6 outsourced again to an Italian supplier. The availability of suppliers in Italy was a key factor in
7 allowing the firm to reshore. No barriers were identified except for the loss of the investment
8 in the Hungarian plant, that was not sustainable anymore without the strategic customer.

9 The company's reshoring *decision-making* was triggered by the choice of its strategic partner
10 to further offshore its production from Hungary to Egypt. Therefore, being the investments
11 needed in the Hungarian plant not affordable, the company decided to bring its production back
12 to Italy. The decision-making process was therefore very simple: first, the company looked for
13 some alternative partners; then, it evaluated the availability of production capacity at home; and
14 finally, the entrepreneurs (the three brothers running the company) decided to reshore the
15 production. The whole process took just 4 months.

16 The *implementation* was immediate, since the production activities were maintained in Italy
17 also during the offshoring phase. The company just needed to contact the customers to
18 communicate the decision and to assess whether they wanted to change the ordered quantity,
19 given that the Made in Italy product had a difference pricing. Moreover, some employees with
20 technical skills were involved in a reverse engineering activity to identify the process
21 characteristics (in terms of chemicals, treatments, temperatures, etc.), with the aim to obtain the
22 same product that was manufactured in Hungary.

23 Figure 5 provides a summary of the reshoring decision-making and implementation processes
24 of company D, with the detail of activities and involved stakeholders (in italics).

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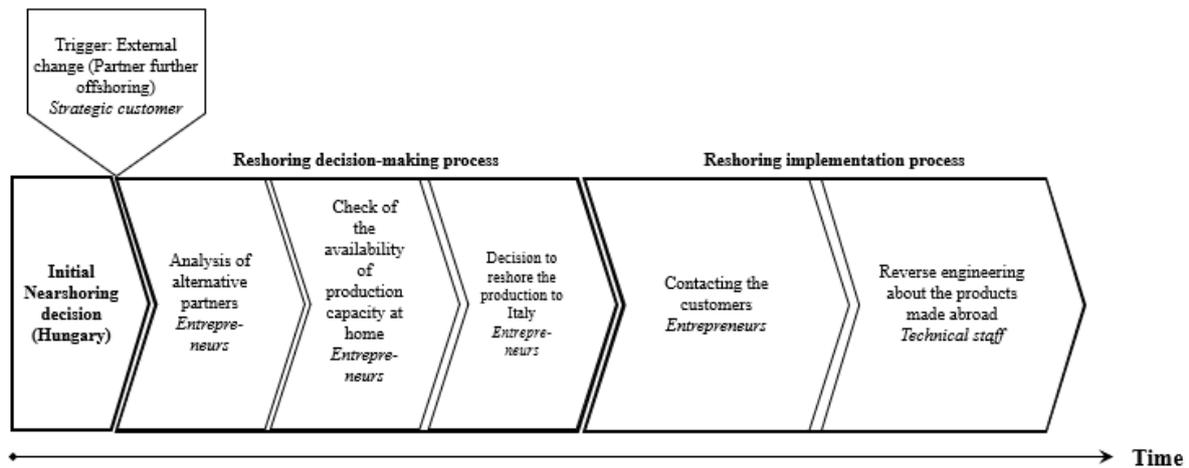


Figure 5 - Decision-making and implementation processes of case D

4.2 Cross-case analysis

The analysis of cases has highlighted that each **decision-making** process has its own specificities. In some cases, the phases were very blurred, almost done in parallel in a very exploratory way (Cases A and B). Even when the process is better defined (Cases C and D), a common path cannot be identified. Anyway, all the companies recognize that if they had better structured their decision-making, the reshoring would have been more effective and efficient. In general, lots of information is collected and processed (e.g. demand forecasting, costs analyses, and expected return of the investment).

As far as the stakeholders involved are concerned, someone in a powerful position within the company is always involved (e.g. the entrepreneur or the CEO). Sometimes people from outside the company (e.g., consultants) are involved in decision-making process; this happens however only in case that some competences or resources cannot be found inside the company (for example in case of smaller companies, such as case B). In Case A, the decision was also influenced by the company functional units, through a bottom-up process. All the companies recognized that the decision-making was rather fast (2 to 6 months). However, they were often not sure about when the process started.

Cases A and B had a decision-making triggered by an internal opportunity that the marketing department and the entrepreneurs identified, to increase their sales and margins. In both the cases the decision-making was very blurred, probably because of the willingness to seize the opportunity as faster as possible. Instead, case C had a defined decision-making triggered by an internal problem, that needed to be addressed to satisfy the customers. The company went through the analysis of the current situation to understand the existing problems, the identification of the exact characteristics of the product that needed to be relocated, and data

1 collection and analysis about the new possible solutions. Finally, Case D's decision was
2 triggered by an external change (i.e. the customer deciding to further offshore its production)
3 and then the company considered different options and collected all the needed information
4 before deciding to reshore its production.

5 Once the decision is taken, the *implementation* process is usually very fast (less than six
6 months). In cases A and B, an ex-post analysis allowed to assess the differences with what was
7 expected during the decision-making process in terms of costs, sales and benefit, and they
8 turned out to be quite different, thus evidencing a bad initial analysis. This ex-post analysis was
9 experienced by the cases that followed a very blurred decision-making, thus evidencing the lack
10 of confidence about the reshoring decision. Generally, the reshoring decision had a positive
11 effect on the company image, both externally and internally (in front of employees),
12 independently from the type of decision-making process followed by the company.

13 Interestingly, even if the interviewees tried to separate their reshoring decision-making and
14 implementation processes, by looking at the processes they describe (Figures 2, 3, 4, and 5) it
15 is clear how the two processes are blended in practice. In fact, even during what the companies
16 described as "decision-making", part of the analyses was already oriented in planning the
17 implementation of the reshoring decision. This is the case of company A that was already
18 designing the new product or Case B that was selecting the new machineries for the relocated
19 production. Case C and D instead just went through a waterfall approach, where the decision-
20 making phase ended with a go (vs. no go) decision, and the implementation was started
21 immediately afterwards. In all the cases, a very strong role was played by the CEO of the
22 company (in most cases also the entrepreneur, i.e., cases B, C, and D) that strongly believed in
23 the reshoring decision and found the occasion to make it suitable for the company.

24

25 **5 Discussion**

26 In order to contribute to the scientific debate on the reshoring decision-making and
27 implementation, we summarize in this section the most insightful evidences of our paper and
28 discuss them in light of the relevant literature presented in Section 2. Based on this, we also
29 develop a set of propositions that might drive future research in this field.

30 The first insight derived from the empirical investigation is that, in most of the analysed cases,
31 the decision-making phases appear to be blurred and not well-defined. This seems to indicate
32 that the reshoring decision involve high levels of uncertainty, as hypothesized by Gray et al.
33 (2017), and this leads companies to adopt a "flexible" approach towards decision-making

1 (Verganti, 1999), in line with the uncertainties and risks that characterize a location decision
2 (Gylling et al., 2015; Huq et al., 2016; Tate et al., 2014; Tate and Bals, 2017). In light of the
3 behavioural decision-making literature, this result is not surprising. In fact, it provides evidence
4 of the bounded-rational feature of the reshoring decision-making process, being characterized
5 by non-sequential phases and multiple routines and cycles (Eisenhardt and Zbaracki, 1992;
6 Mintzberg et al., 1976). Moreover, in case of high uncertainty or complexity, we found that
7 companies include an “ex-post analysis”, to assess the decision after its implementation. This
8 is the situation for Case A, where the change in the governance (from outsourcing to insourcing)
9 led to a higher complexity and therefore the need to evaluate ex-post the results. Similarly, Case
10 B had to face a high uncertainty given all the factors that changed during the offshoring period
11 (e.g. suppliers not available anymore in the home country, establishment of strong competitors).
12 Previous literature supports this evidence concerning uncertainty and complexity as driving
13 factors towards a bounded-rational decision-making (Bendoly et al., 2006; Eisenhardt and
14 Zbaracki, 1992; Li et al., 2014). Moreover, this finding supports the claim made by Hartman et
15 al. (2017) that companies usually fail to consider process complexity and uncertainty during
16 the decision-making stage. As a consequence, a first proposition can be derived for further
17 investigation:

18 ***Proposition 1:*** *When the reshoring decision is complex or uncertain, the decision-making*
19 *process is managed through a flexible approach, characterized by an overlapping of phases*
20 *and problem-solving cycles.*

21
22 As discussed in the cross-case analysis, most interviewees had difficulties in identifying the
23 exact shift from the decision-making to the implementation process. This could mean that an
24 additional phase should be considered, i.e., a more structured transition period in preparation to
25 the implementation. This phase was however not formally recognized by the interviewees. The
26 evidence collected calls into question the effective separation between the decision-making and
27 the implementation processes, hypothesised by Bals et al. (2016). In fact, the two processes
28 appear to be overlapped with implementation-related activities anticipated before the definitive
29 decision and analyses typical of the decision-making postponed to justify ex-post the
30 correctness of the choice. Nevertheless, this result is in line with the literature on behavioural
31 decision-making. The main phases identified in the literature are not completely separated
32 between decision-making and implementation (as shown in Figure 1), moreover they are
33 supposed to loop and not to be sequential (Mintzberg et al., 1976). Hence, the second
34 proposition is:

1 **Proposition 2:** *Decision-making and implementation processes are strictly intertwined and*
2 *need to be analysed jointly to consider all the relevant elements of a reshoring decision.*

3
4 The previous proposition is also in line with Gray et al.'s (2017) view that companies do not
5 need to wait to have complete information to make a location decision. In fact, the analysed
6 companies managed this issue by anticipating the implementation, thus being able to speed up
7 the process and collect accurate information at the same time. This also indicates that the
8 decision-making was at least partly emotional, with the entrepreneur/CEO being the main
9 sponsor of the reshoring initiative. In other words, we have the impression that sometimes the
10 analyses performed were more oriented to justify a decision already in the mind of the
11 entrepreneur/CEO rather than to help him/her to take the decision. Previous literature has
12 demonstrated that emotions can play a positive role in decision-making. In fact, while infused
13 emotions or moods can drive the decision to be fully irrational, expected emotions and
14 situational anxiety can instead become a fundamental part of a bounded-rational decision-
15 making, by allowing the decision-maker to make sense of his/her choice, even when the results
16 are uncertain (Li et al., 2014). In addition, Di Mauro et al. (2018) highlighted some emotional
17 elements (e.g. the sense of belonging to the local territory) among the factors driving the
18 reshoring decision. We would however make a step further and develop the following
19 proposition:

20 **Proposition 3:** *When the decision is perceived as complex or uncertain, reshoring decision-*
21 *making is driven by emotional factors (e.g. sense of belonging to the local territory,*
22 *responsibility towards employees, connectedness with the family), that may characterize other*
23 *factors just as enablers.*

24 This generates some preliminary evidences about one of the future research avenues identified
25 by Barbieri et al. (2018), namely the role of the entrepreneur in driving reshoring decisions. In
26 fact, in three of the analysed cases (Case B, C, and D), the decision has been strongly driven by
27 the entrepreneurs, that have been proved to be more used to face uncertain and complex
28 environments and, therefore, in making successful bounded-rational decisions, by relying on
29 previous experiences (Busenits and Barney, 1997).

30
31 Finally, when a company is not satisfied anymore with the offshore location, it can evaluate
32 whether to move to another third country or to go back home. Recent evidence suggests that
33 movements to third countries are happening (Barbieri et al., 2019), but despite the broad choice
34 of alternative locations, going back to the home country represents an option followed by a

1 significant amount of companies. Our paper helps to explain this “home-country bias”. As a
2 matter of fact, all the sampled companies did not consider during the decision-making process
3 alternative offshoring locations (besides the current offshoring country), thus demonstrating the
4 existence of a home-country bias effect (Obstfeld and Rogoff, 2000) that creates a higher
5 propensity to invest in the home country. The reason might be due to the fact that the home
6 country represents a familiar context, where there is a higher social capital and there could be
7 a national regulation supporting domestic companies (Fratocchi et al., 2014). Evidence of such
8 effect was previously provided by Gray et al. (2017) and their cases of small and medium
9 enterprises relocating production in their home countries against any common sense. Instead,
10 Di Mauro et al. (2018) explained the preference of reshoring over nearshoring both through a
11 “Made in” effect and an emotional “sense of belonging” to an industrial district. Even if the
12 analysed cases provide evidence from the same context and could therefore be explained by the
13 same underlying factors (i.e. “Made in” and “sense of belonging”), we believe that a more
14 general effect, explained by the tendency to strive for something less uncertain, could be
15 hypothesised from this larger evidence. Consequently, the fourth proposition is:

16 ***Proposition 4:*** *A home-country bias effect prevents companies from considering all the location*
17 *alternatives, thus limiting their ability to flexibly modify their Global Manufacturing Footprint*
18 *towards rightshoring.*

19

20 **6 Conclusions**

21 *6.1 Contribution to research, management practice and policy makers*

22 The paper answers to a precise call for research on the reshoring decision-making and
23 implementation raised by the most recent reshoring studies (Barbieri et al., 2018; Wiesmann
24 et al., 2017; Ketokivi et al., 2017). Through an empirical investigation of four case studies, we
25 shed light on the phases, collected information, stakeholders involved and criticalities faced.
26 We then developed four propositions focused on various features of the reshoring decision-
27 making and implementation processes. This is the first step to gain a better understanding on
28 “how” reshoring is implemented (Barbieri et al., 2018).

29 Our study has significant implications for reshoring – and more in general global operations
30 management – *literature*.

31 First, we pointed out that reshoring projects might be characterized by different levels of
32 uncertainty and complexity which affect the decision making and implementation processes.
33 When the drivers are more objective and external (e.g., a customer asking for smaller batches),

1 the overall process looks more structured with a better separation between the decision-making
2 and the implementation phases. Vice-versa, when the drivers are more subjective and internal
3 (e.g., "Made in" effect) the overall process is not very structured and there is an overlap between
4 the decision-making and the implementation phases. Hence, future research should depart from
5 an ideal linear process and try to develop a more flexible approach by collecting insights on the
6 information to be collected by companies and the level of detail, to help firms in high
7 uncertainty and complexity contexts to face successfully the decision (Gray et al., 2017).

8 Second, we highlighted the existence of a relevant emotional component in the reshoring
9 decision. This generates a warning signal about the research on reshoring drivers. In fact, when
10 the decision is driven by an emotional factor, all the other drivers might become "justification"
11 factors that are considered just to make the decision looking feasible, and not the "real
12 motivations". In that case, any answer provided by respondents in surveys or interviews might
13 be biased by some kind of post-rationalization, that might lead to a biased alignment of drivers
14 with outcomes (Johansson and Olhager, 2018). In order to better understand this behavioural
15 aspect, it would be useful to go back to the original offshoring decision and see what type of
16 conflicts and problems it generated. The reshoring decision could be, in fact, emotionally
17 anchored to the initial offshoring decision, such as a sense of guilt for leaving the home country
18 with the related implications (e.g., changing suppliers, workforce layoffs).

19 Our study has also significant implications for *managers* and *policy makers*.

20 We made one of the first attempts to shed light on the "how to reshore" issue, which is of
21 particular importance for managers, and we highlighted the activities and the analyses that
22 should be performed by companies and the stakeholders that can be involved in the decision.
23 This actually provides managers some initial guidelines for the reshoring decision-making and
24 implementation processes. Furthermore, we provided evidence of some potential problems that
25 companies might face during the reshoring implementation (such as the difficulties in finding
26 employees with the needed skills as well suitable suppliers). This suggests managers to consider
27 these potential problems carefully and to plan in advance actions for mitigating them.

28 In addition, we showed to managers and entrepreneurs that the reshoring decision-making is
29 bounded-rational. Even if research have demonstrated the efficacy of this kind of decision-
30 making in uncertain and complex contexts (Eisenhardt and Zbaracki, 1992; Li et al., 2014),
31 some actions can be envisaged in order to avoid cognitive shortcomings of decision-makers
32 (Gino and Pisano, 2008; Kahneman and Lovallo, 2003). Some examples concern the creation
33 of more diverse viewpoints by, i) involving people with different backgrounds in the decision-
34 making, ii) creating devil's advocates or involving outside experts, iii) making people

1 responsible of the decisions aware of the role that their mood can play in their decision-making,
2 and iv) comparing the possible outcomes of a decision with similar past projects in order to
3 base the decisions on more accurate predictions (Eisenhardt and Zbaracki, 1992; Kahneman
4 and Lovallo, 2003; Li et al., 2014; Mantel et al., 2006).

5 Finally, our study provides evidence of the existence of a home-country bias (Fratocchi et al.,
6 2014; Obstfeld and Rogoff, 2000) that keeps companies connected to their home country even
7 when they make an offshoring decision. This might suggest policy makers to act on the barriers
8 (e.g. lack of suitable suppliers, competence shortage, and lack of funding opportunities) that
9 prevent companies from bringing the production back rather than designing policies aimed at
10 increasing the reshoring drivers through incentives.

11 6.2 *Limitations and future research*

13 This study does not come without limitations. First, being an exploratory study, a case study
14 approach has been selected as research method. Therefore, despite we tried to ensure a
15 theoretical generalizability by adopting a rigorous research design, our results cannot be
16 statistically generalized. In future, quantitative studies (e.g. surveys) could help in overcoming
17 this limitation and empirically testing the propositions developed in our study. The evidences
18 presented in this paper will help in improving the survey design and reducing any bias.

19 Moreover, the selected cases belong to the same context (country and industry). This was a
20 thoughtful decision, that allowed us to control for some contingent variables and to leverage on
21 previous studies conducted in the same context (Di Mauro et al., 2018). Nevertheless, studying
22 different industries and countries could add new and meaningful insights.

23 Finally, we analysed the decision-making process of companies that eventually decided to
24 reshore. Future research could integrate cases of companies that did not decide to reshore as an
25 outcome of the decision-making process.

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1 **Acknowledgements**

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1 **Appendix**

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3 *The interview protocol*

4

5 1. Section 1: General information about the company and the interviewees

6 1.1. Interviewees: Names, roles, experience.

7 1.2. Company: Number of employees, turnover, main products, evolution of the products

8 offer over years, number and location of plants.

9 2. Section 2: Evolution of the manufacturing footprint

10 2.1. Main steps over years in terms of relocations and changes in governance modes

11 2.2. Focus on one (or more) reshoring decision(s):

12 2.2.1. Chain of events connected to the reshoring decision(s)

13 2.2.2. Products/Activities/Supply Chain involved and their characteristics

14 2.2.3. Objectives, Drivers of the decision(s), Enabling factors, Outcomes

15 3. Section 3: Decision-making process

16 3.1. Description of the process and timing

17 3.2. Phases, stakeholder involved, collected information, risks evaluated

18 3.3. Differences with previous offshoring

19 4. Section 4: Implementation process

20 4.1. Description of the process and timing

21 4.2. Phases, stakeholder involved

22 4.3. Changes in the relationships with stakeholders after reshoring

23 4.4. Learning process, criticalities faced, costs and benefits

24 4.5. Differences with previous offshoring