

Examining the Relationship Between Green Procurement Practices and Firm's Performance in Ghana

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Abstract : Prior research concludes that environmental commitment positively drives organisational performance. Nonetheless, the nexus and conditions under which environmental commitment capabilities contribute to a firm's performance are less understood. The purpose of this quantitative relational study was to examine the relationship between environmental commitment and 500 firms' performances in Ghana. The researchers further seek to draw insights from the resource-based view to conceptualize environmental commitment and green procurement practices as resource capabilities to enhance firm performance. The researchers used insights from the contingent resource-based view to examine green leadership orientation conditions under which environmental commitment capability contributes to firm performance through green procurement practices. The study's conceptual framework was tested on primary data from some firms in the Ghanaian market. PROCESS Macro was used to test the study's hypotheses. Beyond that, green procurement practices mediated the association between environmental commitment capabilities and the firm's performance. The study further seeks to find out whether green leadership orientation positively moderates the indirect relationship between environmental commitment capabilities and firm performance through green procurement practices. While conventional wisdom suggests that improved environmental commitment capabilities help improve a firm's performance, this study tested this presumed relationship between environmental commitment capabilities and firm performance and provides theoretical arguments and empirical evidence to justify how green procurement practices uniquely and in synergy with green leadership orientation transform this relationship. The study results indicated a positive correlation between environmental commitment and firm performance. This result suggests that firms that prioritize environmental sustainability and demonstrate a strong commitment to environmentally responsible practices tend to experience better overall performance. This includes financial gains, operational efficiency, enhanced reputation, and improved relationships with stakeholders. The study's findings inform policy formulation in Ghana related to environmental regulations, incentives, and support mechanisms. Policymakers can use the insights to design policies that encourage and reward firms for their environmental commitments, thereby fostering a more sustainable and environmentally responsible business environment. The findings from such research can influence the design and development of educational programs in Ghana, specifically in fields related to sustainability, environmental management, and corporate social responsibility (CSR). Institutions may consider integrating environmental and sustainability topics into their business and management courses to create awareness and promote responsible practices among future business professionals. Also the study results can also promote the adoption of environmental accounting practices in Ghana. By recognizing and measuring the environmental impacts and costs associated with business activities, firms can better understand the financial implications of their environmental commitments and develop strategies for improved performance.

Keywords : firm's performance, green procurement practice, environmental commitment, environmental management, sustainability

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