

Adoption of Green Supply Chain Practices and Their Impact on a Firm's Economic and Environmental Performance

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Abstract : Green supply chain management has been an important organizational strategy to reduce environmental risks and improve financial performance. Firms have to adopt green supply chain practices to meet the official regulations and reduce peer pressure in China. This paper exhibits an empirical study of the drivers of green supply chain management practices and the environmental and economic performance of green supply chain management implementation in Chinese firms. While China is the fastest-growing emerging economy, it has paid a high ecological price. It is reported that China hosts 7 of the world's 10 most polluted cities. The continued environmental deterioration and the resultant heightened regulatory control and public scrutiny have posed new operating challenges to firms conducting business in China. These challenges make the country an ideal setting to conduct the present study. A research questionnaire was developed to gather data in China. The questionnaire targeted managers and employees in Chinese companies. The data were collected in the last quarter of 2015, involving industries such as electronic & communicational equipment, textile & clothing, pharmaceutical & healthcare, and so on. This study confirms and validates that (1) both internal and external drivers play a significant role in the implementation of green supply chain management practices; (2) green purchase and investment recovery have a significant impact on firms' environmental and economic performance; (3) with the improvement of the firms' environmental performance, their economic performance will improve.

Keywords : economic performance, environmental performance, external driver, green supply chain management

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