



# Linking rival and stakeholder pressure to green supply management: Mediating role of top management support



Jing Dai <sup>a,\*</sup>, Frank L. Montabon <sup>b</sup>, David E. Cantor <sup>b</sup>

<sup>a</sup> Department of Entrepreneurship, Marketing and Management Systems, Nottingham University Business School China, The University of Nottingham Ningbo China, 199 Taikang East Road, Ningbo 315100, China

<sup>b</sup> Department of Supply Chain and Information Systems, College of Business, Iowa State University, 2340 Gerding Business Building, Ames, IA 50011, United States

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## ABSTRACT

Drawing upon the Schumpeterian view of competition and stakeholder theory, the purpose of our study is to examine how issues of rivalry and stakeholder pressure motivate firms to implement green supply management practices. We also consider the role of top management support as an important enabler to how firms react to competitive pressures to pursue green supply management practices. Our model is tested using a sample of supply chain professionals. Our results indicate that environmental pressure from rivals and stakeholders influences green supply management implementation through the mediating role of top management support for environmental initiatives.

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## 1. Introduction

Green supply management is a prominent topic of discussion among supply chain management scholars (Bowen et al., 2001; Mace and Food, 2010; Vachon and Klassen, 2006). Green supply management is defined as the incorporation of environmental considerations into the supply management function and represents one important area where the firm can improve its sustainability footprint. In a supply chain, the supply management function is responsible for monitoring and governing the flow of materials into the firm. A focal firm converts materials from suppliers into value-added products and thus scholars argue that each organization is only as environmentally sustainable as its upstream supply chain partners (e.g. Handfield et al., 2005; Krause et al., 2009; Dai and Blackhurst, 2012). Firms have recognized the need to extend their environmental practices to their suppliers because a supplier's poor environmental management performance can negatively affect the focal firm. Therefore, firms seeking to implement environmental sustainability practices must actively work with their suppliers (Sharma and Henriques, 2005; Simpson et al., 2007; Tate et al., 2010).

The focus of this study is on the extent to which green supply practices arise due to issues of competition. Indeed, firms are becoming increasingly pressured by their industry rivals and key stakeholders to pursue environmental management practices (Zhu et al., 2011; Hofer et al., 2012). Despite anecdotal and initial academic evidence that stakeholders and a firm's rivals place pressure on the focal firm to implement environmental management practices, the impact of those pressures on green supply management remains largely unexplored. Furthermore, scant research exists on how an organization's resources are mobilized in response to rival and stakeholder pressure to implement green supply management practices (Sarkis et al., 2010; Gavronski et al., 2011).

\* Corresponding author.

E-mail addresses: [jing.dai@nottingham.edu.cn](mailto:jing.dai@nottingham.edu.cn) (J. Dai), [montabon@iastate.edu](mailto:montabon@iastate.edu) (F.L. Montabon), [dcantor@iastate.edu](mailto:dcantor@iastate.edu) (D.E. Cantor).

This study also examines the role of top management support in enabling the firm to react to competitive forces (e.g., external pressures to implement green practices). The upper echelons perspective suggests that the top management team serves as an organization's primary interface to stakeholders and rivals and thus top management commitment and support influences organizational decision outcomes (Hambrick and Mason, 1984). However, the role of top management in the environmental supply chain domain is understudied and further research is needed because previous studies have found mixed results (Murphy et al., 1996; Carter and Carter, 1998; Carter and Jennings, 2004). This study seeks to fill these voids in the literature.

The next section reviews the literature and explains the research model. As we then describe, the model is tested using survey data collected from supply chain management professionals. Finally, we discuss the study's results and contributions to the literature.

## 2. Literature review and model development

### 2.1. Green supply management

A burgeoning amount of green supply chain management research has shown that implementing green supply management activities may result in improved firm performance (Azevedo et al., 2011; Carter et al., 2000; Chiou et al., 2011; Vachon and Klassen, 2008; Yang et al., 2013; Zhu and Sarkis, 2004). For example, Chiou et al. (2011) found that suppliers who are engaged in green innovation activities provide significant benefits to the environmental performance and competitive advantage of the firm. Similarly, Vachon and Klassen (2008) presented empirical results that environmental collaborative activities with suppliers are positively associated with manufacturing performance. Hence, there is increasing evidence that the implementation of green supply management is a source of competitive advantage for the firm as compared to a firm's desire to satisfy intrinsic ethical or internal corporate social responsibility mandates.

The focus of our research is on the competitive forces that motivate a firm to pursue green supply management practices. We recognize the vital importance of competition as a reason why the firm seeks to improve its environmental performance. Based upon a review of existing green supply management literature in the supply chain management field (see Table 1) and discussions with practitioners, we identify key dimensions of green supply management. The practices and activities that collectively define green supply management can be categorized along three different dimensions: monitoring suppliers' environmental performance, collaborative planning with suppliers on environmental issues, and involvement of suppliers in environmental-friendly product development.

Our study contributes to the environmental management competition stream of research by specifically examining how competitive pressure from the firm's rivals and stakeholders motivate the firm to implement green supply management practices (e.g., Montabon et al., 2007; Sarkis et al., 2010; Hofer et al., 2012; Brockhaus et al., 2013). Our study also contributes to the literature by applying insights from the strategic management discipline to examine the important role of the supply chain on issues of environmental competition (e.g., Schumpeterian view of competition) (Grimm et al., 2005).

**Table 1**

Green supply management practices.

Green Supply	Sources
<i>Monitoring</i>	
Provide suppliers with detailed, written environmental requirements	Klassen (2001), Montabon et al. (2007), Zhu and Sarkis (2004)
Evaluation of suppliers' environmental performance	Bowen et al. (2001), Klassen and Vachon (2003), Kocabasoglu et al. (2007), Lee and Klassen (2008), Montabon et al. (2007), Zhu and Sarkis (2004)
Selection of supplier based on environmental criteria	Bowen et al. (2001), Klassen and Vachon (2003), Lee and Klassen (2008), Montabon et al. (2007)
Certification of suppliers, inputs, products, and activities	Jacobs et al. (2010), Klassen and Vachon (2003), Zhu and Sarkis (2004)
Environmental audit for suppliers' internal management	Montabon et al. (2007), Zhu and Sarkis (2004)
Supplier incentive program	Klassen and Vachon (2003), Kocabasoglu et al. (2007), Montabon et al. (2007)
Provide suppliers with feedback about the results of their evaluations	Klassen and Vachon (2003)
<i>Supplier involvement</i>	
Early supplier involvement	Montabon et al. (2007)
Eco-design	Zhu and Sarkis (2004)
<i>Collaborative planning</i>	
Joint efforts (such as planning, goal setting, performance measurement) to solve environmental-related problem	Bowen et al. (2001), Lee and Klassen (2008), Zhu and Sarkis (2004)
Offer technical assistance to our suppliers	Klassen and Vachon (2003)
Provide training, education and site visits to supplier	Jacobs et al. (2010), Klassen and Vachon (2003), Kocabasoglu et al. (2007), Lee and Klassen (2008)
Communication	Klassen and Vachon (2003), Montabon et al. (2007)

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