Embedding Sustainability into Supply Chain Management: A New Zealand Perspective

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Abstract

Sustainable supply chain management (SSCM) refers to the integration of social, environmental and economic practices into supply chain management (SCM). Despite its increasing prominence both in academia and practice, there is a paucity of empirical research on SSCM. In particular, SSCM has not been adequately explored in New Zealand. To address this knowledge gap, this study empirically investigates why and how companies are integrating sustainability practices in their SCM. The study is positioned within an interpretive paradigm using a qualitative case study design, primarily drawing on the interview data from 23 New Zealand-based companies.

This thesis comprises three empirical chapters. The first chapter examines the factors that motivate and inhibit companies to adopt SSCM strategy. The findings indicate that financial and operational efficiency, reputation/risk management, customer pressure and top management support are prime motivators for companies to embrace SSCM strategy. Conversely, economic difficulties, strategic/structural constraints, suppliers’ related issues, and inadequate customer demand are key obstacles encountered by companies in the successful implementation of SSCM strategy.

The second chapter explores how companies govern their SCM activities with the aim of improving SSCM performance. The findings suggest that a company’s choice of an appropriate mechanism is determined by context-dependent factors such as perceived level of risk with suppliers, regulatory regimes and cultural differences. Based on the empirical findings, this chapter proposes a sustainable supply chain governance (SSCG)
model that classifies companies’ SSCM progression into five stages based on two dimensions – corporate pro-sustainability orientation and SSCM maturity.

The third chapter investigates how companies manage their green supply chain management (GSCM) issues. The findings indicate that the current focus of companies is on developing internal environmental performance that relates to their mid-stream SCM practices. At the external (upstream and downstream) SCM level, the implementation of environmental practices is relatively limited, and few companies are actively collaborating with supply chain partners in terms of developing their SSCM performance.

Overall, the empirical findings of this study reveal that SSCM is relatively new but is evolving rapidly in New Zealand. This study contributes to theory by offering new insights regarding the integration of sustainability into SCM, suggesting that diligent and prudent management of SSCM can possibly lead to achieving competitive advantage\(^1\). In addition, this thesis explicates an integrative SSCM framework that provides new insights linking sustainability and SCM disciplines. Hence, this study has several implications for practitioners to adopt SSCM practices. First, businesses will learn (and benefit from) how to integrate different aspects of SSCM strategy into their overall business model, enabling them to reduce their business risk. Second, this study enables managerial understanding as to how their businesses can progress through the different stages of SSCM integration. The main limitation of this study is that the findings cannot be generalized to any specific industry or larger population. Future research should therefore focus on an industry-specific exploration of SSCM strategies, and also test the study’s findings in a large-scale survey.
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Related Publications

Journal Articles and Book Chapters


Conference Presentations and Proceedings


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