

Chapter 1

Sustainable Procurement to Enhance Organizational Performance in Supply Chain Management: Current Research and Practices

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ABSTRACT

The purpose of this chapter is to present an overview of current research on sustainable procurement identifying practices and case studies in supply chain that have been said to improve its performance from a global perspective. As an introduction, this chapter describes the importance of sustainability in supply chain, driving the discussion into the procurement process. Theoretical perspectives used in sustainable supply chain literature are presented, focusing on procurement management and the three dimensions of sustainability. The chapter discusses current procurement practices as a source of competitive advantage. It also highlights techniques, tools, and methodologies from research case studies, and presents sustainable procurement practices as a driver of performance improvement. Finally, this chapter provides further research directions and confirms sustainable procurement as a key process to performance enhancement in supply chain management, and as a source for global business improvement and competitive advantage achievement.

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INTRODUCTION

In recent years, there has been growing concern regarding the environmental effects caused by industrial operations around the world. There has also been a pressure increase in the economic and social fields to adopt principles and practices that guarantee continual improvement in the area of business performance. The integration of social, environmental and economic responsibilities has been defined as sustainability, and now considered part of day-to-day businesses practices in the search for better ways to operate the industry (Kumar & Rahman, 2016).

This need for performance improvement and sustainability achievement in organizations has been developed through sustainable supply chains (SSC), which involve business processes such as the procurement of materials, assembly and production, storage and distribution of products, customer service, and a three dimensional approach (economic, social and environmental). As a result, sustainable supply chain management (SSCM) has become a competitive advantage and has caused organizations to identify methods and tools to incorporate and implement sustainable practices throughout the supply chain (Chardine-Baumann & Botta-Genoulaz, 2014). These practices have generated a growing need to understand how an organization should manage their supply chain processes and participate with its suppliers to increase the focus on sustainability and enhance performance. From this perspective, procurement plays a key role in supply chain, as it provides the means by which a supply chain can operate (Kaur, Singh, Garza-Reyes, & Mishra, 2018). Furthermore, sustainable procurement supports the entire strategy when an organization drives its operations on sustainable policies, and triggers to adopt specifications, which will encourage social, environmental and economic benefits.

This chapter highlights the importance of sustainable supply chains, focusing on procurement. Furthermore, the chapter undertakes theoretical perspectives used in sustainable supply chain literature concentrating on procurement management and the three dimensions of sustainability. It then continues into the discussion of current procurement practices and strategies as a source of competitive advantages for businesses. In addition, it presents highlights on techniques, tools and methodologies from research case studies in literature; research gaps are identified and different research approaches to sustainable procurement and methodologies used in supply chain management literature are presented. Finally, this chapter discusses potential research directions for sustainable procurement in supply chain, and provides recommendations to expand on research in order to address the shortcomings of the existing literature.

As a result, this chapter confirms the growing tendency to develop case studies, literary reviews and research within the scope of sustainable procurement, as a key process to performance enhancement throughout supply chain. It provides guidelines to the academic, and industrial and managerial sectors to generate strategic competitiveness through sustainable procurement practices. Therefore, the objective of this chapter is to present an overview of current literature and research on sustainable procurement practices identified in supply chain management as a source for global business improvement and competitive advantage achievement.

BACKGROUND

As a result of the increased environmental costs and the increasing pressure from consumers requirements (Brandenburg, Govindan, Sarkis, & Seuring, 2014), organizations are looking at sustainability as a new management approach for performance improvement. In addition, pressures from stakeholders and

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