

Impact of Sustainable Supply Chain Practices on Buying Firm Performance related to Manufacturing Companies in Sri Lanka

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The history of the world reveals a pattern of development in human life. Nonetheless, current industrial growth is increasingly jeopardizing the future sustainability of the earth and its natural resources and environment. One of the most observable trends in countries such as Sri Lanka where the open market economy is dominant in all the areas in socio cultural spheres is that the management of private sectors attempts to maximize profit in their businesses without caring much for its environmental and social conditions. But the true development of a country depends not only on economic growth. The achieved development to be sustainable, in parallel with economic development, they have to consider about the environmental and social factors of an economy. Sustainable development meets the needs of people today without compromising the ability of people in the future to meet their needs. Therefore, it is very clear that the concept of sustainability is the most appropriate tool for preventing or minimizing the jeopardy created by the industrial growth in the world. This study is carried out as a survey related to manufacturing firms in Sri Lanka. Manufacturing is a one cog of the whole supply chain wheel. All supply chains can be optimized using sustainable practices. Sustainability in the supply chain encapsulates a number of different priorities: environmental stewardship, conservation of resources, reduction of carbon footprint, financial savings and viability and social responsibility. Since suppliers are the key component in any supply chain, supplier selection is a very crucial decision that has to be taken by particular managers. Due to a small mistake done by a supplier, whole chain can be paralyzed. It may be a problem of quality, order fulfillment, cost or price, profit, customer relationship or even more than them. Therefore, this survey study focuses on identifying the impact of sustainable supply chain practices on buying firm performance considering manufacturing companies in Sri Lanka. The firm's success is basically explained by its performance over a certain period of time. Researchers have extended efforts to determine measures for the concept of performance as a crucial notion. Finding a measurement for the performance of the firm enables the comparison of performances over different time periods. Sustainable supplier selection criteria are used as sustainable supply chain practices in this study. For the purpose of measuring the success of sustainable supply chain practices financial and market performance will be measured using the data which will be gathered from all listed manufacturing companies under the Colombo Stock Exchange in Sri Lanka. Further, return on assets (ROA) and return on equity (ROE) will be used to measure the financial performance and Tobin Q will be used to measure the market performance in this study. Since this study will identify supplier selection criteria implemented by the manufacturing companies in Sri Lanka and measure firm performance related to sustainable supplier selection criteria, these findings will give a novel contribution to the body of knowledge.

Keywords: Jeopardizing, Sustainability, Performance, ROA, ROE, Tobin Q