# Influence of Sustainable Supply Chain Management and Stakeholder Pressure on Corporate Sustainability Performance in Pakistan



#### ResearchThesis

Submitted to the Department of Management Science, Bahria University, Islamabad Campus in partial fulfilment of the requirements for the degree of Master of Philosophy in Management Sciences.

Submitted by: Khuraim Javaid Iqbal

01-229122-004

M. Phil. (MS)

Submitted to: Dr. Qazi A. Subhan

Bahria University, Islamabad Campus

Fall, 2016

## SUBMISSION FORM OF THESIS FOR HIGHER RESEARCH DEGREE BAHRIA UNIVERSITTY, ISLAMABAD

Candidate Name: Khuraim Javaid Iqbal				
I submit <u>Two (2)</u> Copies of thesis for examination for the degree of M.Phil., Thesis Titled:				
2 2 3	anagement and Stakeholder Pressure on Corporate			
Candidate Signature:	Date: <u>April 7, 2017</u>			
Certificate of Principal Supervisor				
	Supervisor for the above student, certify that thesis and that the candidate has pursued his course in ity.			
Signature:	Date:			
Recommendation for Examination  I recommend that the thesis be examined.				
	Date:			
	Date:			
Not Recommended for Examination				
I recommend that the thesis be examined.				
Principal Supervisor:	Date:			
Co-Supervisor:	Date:			
Statement by the Head Faculty/Departm	<u>ent</u>			
I support the submission of the thesis of University Rules for higher degrees.	the above named student for examination under the			
Cionatura	Doto.			

#### BAHRIA UNIVERSITY, ISLAMABAD

#### APPROVAL SHEET

#### SUBMISSION OF HIGHER RESEARCH DEGREE THESIS

Candidate's Name:	Khuraim Javaid Iqbal		
Discipline:	M. Phil. (MS)		
Faculty/Department:	Management Sciences		
I hereby certify that t	he above candidate's work, including the thesis, has been completed to		
my satisfaction and that the thesis is in a format and of an editorial standard recognized by			
the faculty/departmen	the faculty/department as appropriate for examination.		
Signature(s):			
	Principal Supervisor:		
	Date:		
The undersigned certi	fy that:		
-	sented at a pre-completion seminar, an overview and synthesis of major lesis, and that the research is of a standard and extent appropriate for lesis.		
2. I have checked	the candidate's thesis and its scope, format; editorial standards are		
recognized by the	faculty/department as appropriate.		
Signature(s):			
Dean/Head of Faculty/Department:			
	Date:		

Declaration of Authentication

I, Khuraim Javaid Iqbal having enrolment number 01-229122-004 as a student of M.Phil. at

the Department of Management Sciences, Bahria University. Islamabad, certify that research

work presented in this thesis is to the best of my knowledge and my own. All sources used and

any help received in the preparation of this dissertation have been acknowledged. I hereby

declare that I have not submitted this material, either in whole or in part, for any other

degree at this or other institution.

Signature		
'ionotiiro:		

Name: Khuraim Javaid Iqbal ...

#### Acknowledgements

All praise is to Allah, who has blessed me with a loving family, loyal friends and veteranmentors to support, guide and motivate me through different phases of life. Their presence havealways influenced in unique ways to keep me motivated and achievemy goals. This Research Thesis Dissertation would not have been possible to compile without the support of my parents and friends who motivated me and believed in my work throughout this journey.

I am deeply indebted to my research supervisor, Dr. Qazi A. Subhanfor his guidance and support during the course of this research, which helped me at every step of this dissertation. His valuable advice and mentoring has contributed greatly in successful completion to this milestone.

### Dedication

This research is dedicated to my parents for their patience and encouragement.

#### **Abstract**

With every passing day, it is becoming difficult for the firms to remain competitive. Due to scarcity of natural resources stakeholders are inducing pressure to transform traditional supply chains in to sustainable supply chains. This study tried to enhance in understanding the relationship of stakeholder pressure (SP) on sustainable supply chain management (SSCM) and corporate sustainable performance (CSP). Survey technique was used to gauge the relation of these variables. Sample size was 270, which consisted professionals ranging from mid-level managers to senior managers. Baron and Kenny's mediation technique is used to analyse the data. Results shows that due to pressure of stakeholders, firms are transforming their supply chains socially and environmentally concerned in contrast with economic factor. Moreover, SSCM mediates the relationship of SP and CSP. Previous researches only took two perspectives of sustainable supply management, which are social and environmental but this research also takes into accounteconomicaspect of sustainable supply chain management.

Keywords: sustainable supply chain, stakeholder pressure, corporate sustainability performance.

#### **Table of Contents**

Abstractvii
AcknowledgementsError! Bookmark not defined.
Introduction1
1.1 Background
1.2 Problem Statement
1.3 Research Objective4
1.4 Research Questions
1.5 Hypotheses5
1.7 Structure of the Research5
1.8 Summary6
Literature Review7
2.1 Introduction
2.2 Stakeholder Pressure8
2.2 Sustainable Supply Chain Management
2.3 Corporate Sustainability Performance
2.4 Risks in Supply Chain Management
2.4.1. Growth of the Core Market
2.4.2. Ability to Retain
2.4.3 Respond to technology trends
2.4.4. Diversity in Revenue base
2.4.5. Stability of Senior Management
2.4.6. Macroeconomic and Geopolitical Developments
2.4.7. New regulations
2.4.8. n-Tier Supply Chain Mapping22

	2.4.9. Threat from natural disasters	23
	2.4.10. Ethical Misconduct	23
	2.4.11. Environmental Risks	23
	2.4.12. Social Risk	24
	2.5 Theoretical Framework	24
	2.6 Hypotheses	25
	2.7 Conceptual Framework	27
	2.8 Measures	27
	2.8.1 Stakeholder Pressure	27
	2.8.2 Sustainable Supply Chain Management	28
	2.8.3 Corporate Sustainability Performance	28
	2.9 Summary	28
R	esearch Methodology	29
	3.1 Introduction	30
	3.4 Rationale for Selection of Research Method	30
	3.5 Sampling	31
	3.6 Instrument construction	31
	3.7 Reliability and Validity	32
	3.8 Face Validity of Instrument	33
	3.9 Content Validity of Instrument	33
	3.10 Reliability of Instrument	33
	3.11 Ethical Considerations	34
	3.12 Summary	34
F	indings and Discussion	35
	4.2 Demographics	36

4.2.1 Gender Composition	37
4.2.2 Education	37
4.2.3 Age	37
4.2.4 Type of Firm	37
4.2.5 Industry Type	37
4.2.6 Department	38
4.2.7 Designation	38
4.3 Baron & Kenny Mediation Analysis	38
4.4 Results	39
4.4.1 Correlation	39
4.4.2 Regression Analysis	40
4.1 Discussion	41
4.7 Summary	43
Conclusion	44
5.1 Conclusion	45
5.2 Recommendations of the Study	45
5.3 Further Research	47
Annendiy I-Questionnaire	57

Figure 1.1 Research Structure	5
Figure b. Supply Chain Risk Categorization (Manuj and Mentzer, 2008)	20
Figure 1: Mediation model of Wolf (2014)	24
Figure 2: Conceptual Framework	27
List of Tables	
Table 2.1 Stakeholders Need Analysis	10
Table 3.1 Reliability Statistics	33
Table 4.1 Demographics	36
Table 4.8 Correlation	39
Table 4.1 Regression Analysis	40

#### **List of Abbreviations**

CSP Corporate sustainability performance

CSR Corporate social responsibility

SP Stakeholder pressure

SCM Supply chain management

SSCM Sustainable supply chain management

RBV Resource-based view

TBL Triple bottom line