

2017

Major: Supply Chain Management

S. NO: 19

**“Impact of green supply chain management practices on organizational performance (operational performance and financial performance) in Pakistan; an analysis of restaurant industry of Islamabad and Rawalpindi, Pakistan”**



BY:

IQRA ALTAF

01-120141-011

**Supervisor:**

Raja Khalid Hafeez

Department of Management Sciences

**Bahria University Islamabad**

**Spring 2017**

**FINAL PROJECT/THESIS APPROVAL SHEET**

**Viva-Voice Examination**

Date 21/ 6 / 2017

Viva Date

**Topic of Research: “Impact of green supply chain management practices on organizational performance (operational performance and financial performance) in Pakistan; an analysis of restaurant industry of Islamabad and Rawalpindi, Pakistan”**

**Name of Student:**

**Name: IQRA ALTAF**

**Enrollment No: 01-120141-011**

**Class:MBA**

**Approved by:**

Raja Khalid Hafeez

Supervisor

Sabina Sherazi

Examiner-I

AmnaFahim

Examiner-II

---

**Dr. Sarwar Zahid**

Research Coordinator

---

**Dr. Muhammad Ali Saeed**

Head of Department - Management Sciences

## **Abstract:**

This aim of this research is to evaluate the relationship between Green Supply Chain Management Practices and organizational performance among organizations in the restaurant industry. The research had two purposes: To find the extent of Green Supply Chain Management Practices used by organizations in the restaurant industry in Islamabad and Rawalpindi, Pakistan and to find the relationship between Green Supply Chain Management Practices and performance of organizations in restaurant industry in Islamabad and Rawalpindi, Pakistan. The research used research design to gather information and descriptive statistics was used to evaluate the data. The study emphasized on organizations in Restaurant industry in Islamabad and Rawalpindi, Pakistan. It concluded that organizations value the role of Green Supply Chain Management Practices. The research also established that Green supply chain management practices are significant in enhancing the performance of organizations. The research claims that organizations should stress on suppliers to have ISO 14001, usage of life cycle assessment to gauge ecological load, collaborate with suppliers to standardize packaging and process merchandise to advance organizational performance. Though, there were limitations in this research for instance data gathering. The organizations implement different green processes and practices because of their structure and hence different performance of the organizations. The research proposes more study to be done on how Green supply chain management practices impact performance of organizations in the Restaurant industry as well as other types of businesses. Furthermore, the study recommends on more investigation on the instruments and practices required to evaluate the performance of organizations who have implemented Green supply chain management practice. A questionnaire was used to gather data for the research. Means, standard deviation, and linear regressions analysis were used to examine the research hypothesis and the relationships between the dependent and independent variables. The investigator constructed the model and hypothesis created on the dimensions of green supply chain management practices. The findings of the research showed that there was an effect of green supply chain management practices and its dimensions on firm performance. The investigator examines the green supply chain management dimensions ( Green procurement, Green manufacturing and Green distribution ), on organizational performance which are ; economic performance, and Operational Performance. As a suggestion for this research, it may offer significant benefits for managers

and organizations through considering the green supply chain management and growing the sales and advantages.

**Key words:**

The green supply chain management, restaurant industry, organizational performance.

## **List of Abbreviations:**

GSCM: Green Supply Chain Management

SCM: Supply Chain Management

GP: Green Procurement

GM: Green manufacturing

GD: Green distribution

OP: Operational performance

EP: Economic performance

OGP: Organizational performance

## **ACKNOWLEDGEMENT:**

I thank ALLAH almighty for providing me strength, good health and direction during my studies. My earnest gratefulness goes to the Bahria University for providing me an opportunity to pursue MBA Program. I appreciate and acknowledge the hard work of my supervisor Sir, Mr. Raja Khalid Hafeez for his support and guidance and I would like to show my cordial appreciation to Sir Saifullah Khan, who has continually supported and assisted me in my research. Without their supervision and continuous assistance this project would not have been possible. I wish to express recognition and gratitude to my beloved parents Mr. & Mrs. Altaf Hussain, for their unconditional love, support and encouragement constantly throughout my life and particularly during my studies. I also wish to thank the organizations in the restaurant industry for allowing me an opportunity to gather information for my study. I would also like to express my gratitude to the Department of Management Sciences for the opportunity given to me to pursue this research and this will open up more researches on Green Supply Chain Management towards the improvement of organizational performance including economic/ financial performance and operational performance as well. I am sincerely grateful to the library staff at Bahria University for their brilliant service delivery.

May ALLAH Almighty give me opportunity and strength to execute whatever I have learnt for the advantage of the society.

## **DEDICATION**

I dedicate this research study to my family especially my beloved Parents Mr. and Mrs. Altaf Hussain, who have been a continuous source of motivation and encouragement. They have given me unconditional love and support through my entire life. They have shown me the determination and discipline to confront any chore with passion and fortitude. Thank you.

Further I would like to lovingly dedicate this work to my beloved Friends, Colleagues and the entire Department of Management Sciences, Bahria University for their support and encouragement.



## Table of Contents

<b>Chapter 1: Introduction:</b> .....	14
1.1-Background of the study: .....	14
1.2 Green supply chain management: .....	15
1.2.1: Green procurement: .....	<b>Error! Bookmark not defined.</b>
1.2.2: Green manufacturing: .....	<b>Error! Bookmark not defined.</b>
1.2.3: Green distribution: .....	<b>Error! Bookmark not defined.</b>
1.3: Green supply chain practices: .....	<b>Error! Bookmark not defined.</b>
1.3.1: Internal Environmental Management: .....	<b>Error! Bookmark not defined.</b>
1.3.2: Collaboration with Customers: .....	20
1.3.3: Green Purchasing: .....	20
1.3.4: Eco-design and Packaging: .....	20
1.3.5: Warehousing and green building: .....	20
1.4: Organizational performance: .....	21
1.4.1: Environmental Performance: .....	22
1.4.2: Financial/Economic Performance: .....	22
1.4.3: Operational Performance: .....	23
1.5: Restaurant industry: .....	24
1.6: Research problem / problem statement: .....	26
1.7: Research question: .....	28
1.8: Research objectives: .....	28
1.9: Value of the Study: .....	29
<b>Chapter 2: literature review</b> .....	31
2.1: Introduction .....	31
2.2: Supply Chain Management: .....	31

2.3: Green Supply Chain Management: .....	32
2.4: Green Supply Chain Management Practices:.....	34
2.5: Green Procurement Practices: .....	35
2.6: Green Manufacturing Practices:.....	36
2.7: Green Distribution Practices: .....	36
2.8 :Global and Pakistan’s Examples of Green Supply Chains: .....	37
2.9: Green Supply Chain Practices and its effects on Operational and financial Performance: 40	
2.10: Development of hypothesis:.....	46
2.11: Conceptual framework: .....	<b>Error! Bookmark not defined.</b>
<b>CHAPTER 3: RESEARCH METHODOLOGY: .....</b>	<b>48</b>
3.1: Introduction:.....	48
3.2: Research Design / Nature of the Research: .....	<b>Error! Bookmark not defined.</b>
3.3: Population of the research:.....	<b>Error! Bookmark not defined.</b>
3.4: Sample of the research: .....	<b>Error! Bookmark not defined.</b>
3.5: Data Collection: .....	<b>Error! Bookmark not defined.</b>
3.6: Model and Data Analysis: .....	<b>Error! Bookmark not defined.</b>
<b>Chapter 4: Empirical results.....</b>	<b>51</b>
4.1: Green Supply Chain Management Practices:.....	51
4.2: Descriptive statistics: .....	52
4.3: Correlation statistics:.....	54
4.4: Cronbach alpha test (reliability test): .....	55
4.5: Regression analysis: .....	56
<b>CHAPTER 5: Conclusion and Recommendation:.....</b>	<b>64</b>
5.1: Summary of the results: .....	64
5.2: Conclusion: .....	65

5.3: Recommendations:.....	65
<b>6.0 Bibliography .....</b>	<b>67</b>
<b>7.0 Appendices</b>	<b>70</b>
7.1: Research Questionnaire	70