

# Green initiatives in supply chain inter-organisation relationship governance

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**Topics:** Managing Inter-firm Relationships in Supply Chains, Supply Chain Management, Behavioural Operations

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## Purpose

Supply chain inter-organisation relationship between supply chain partners developed over some time to push their boundaries and make them collaborate with their partners to assess and ensure they are socially responsible. Latest trends of green supply chain collaboration refer to the responsibility of partners to coordinate their procedures, processes and decisions to comply with social, environmental and ethical standards (Gunasekaran et al., 2015). The benefits of green collaboration result in less waste, a reduction in environmental damage, improve market and financial performance, streamline manufacturing, enhance the company's public image and reputation, and have a positive impact on the costs associated with the supply chain (Dangelico and Pontrandolfo, 2015).

Hence, the challenging question that lies among researchers and practitioners is how supply chain members should collaborate greenness. Furthermore, it is not clear how buyers and suppliers are going to be benefited through green initiatives governance. This gap was noted by Gunasekaran et al. (2015), that how should buyers and suppliers design incentive structures for green initiatives and how should they appropriately reward members across the supply chain.

The relationship is the essential aspect of achieving collaboration. Sheu (2014) discussed in the green supply chain collaboration context it differs where the buyers and suppliers have to strengthen the engagement based on certain long-term agreements, goodwill and trust. Two variables, certainty and dependency, can be used to define these relationships. Researchers can gain a perspective on green collaboration by viewing it from the economic, technological and social standpoints (Sheu, 2014; Green et al., 2012).

For a green supply chain to emerge and be implemented effectively, the relationships, such as buyer-supplier, which form part of the chain are key to success (Gunasekaran et al., 2015). The study by Luo et al. (2015) assessed Guanxi's role between buyer and supplier, and the effect it had on green performance in China, analysing how cultural factors, and the interpersonal relationships between suppliers and manufacturers, impacted on overall green performance. The observation-based research considered the effects of asset specificity, volume certainty, the frequency of transactions and the competition, on collaborative performance in the green supply chain. Above all, this research plan to explore *How do green initiatives governance mechanic supply chain inter-organisational relationship*, example as Chinese automotive groupings.

## Design/methodology/approach

Investigate and build theories addressing the interrelated inter-organisational relationships, initiatives such as trust, goodwill, inter-personal relationships as mentioned in the research questions, a multi-case study approach is employed in the study to collect empirical evidence that is sufficiently cover a variety number of suppliers and manufacturers within the Chinese automotive industry. Through a comprehensive review and analysis of the literature regarding the inter-organisational relationship, a proposition of multi-level relationships management is developed. The proposition is then engaged with the empirical evidence that is classified by the dimension, supply chain green collaboration, and trust context within the multi-level relationship. The classification has been considered as an effective configuration method to build theories (Bailey, 1994). The case study evidence is collected through in-depth interviews with four to six senior directors and supply chain managers from each case.

### **Findings**

The analysis of the data provides a deeper understanding of the Chinese automotive industry conditions and confirms the manufacturers and suppliers as ‘an activity system’ when renewing the supply chains in relationship developing stage. The supply chain inter-organisational relationships facilitate the ongoing status of green initiatives. The long-term relationship it is, the competitive environment relationship it is, meaning there is a higher degree of trust and relationship satisfaction between partners, and reduce the uncertainties. Methodical and effective knowledge sharing cannot only assist partners in governance roles but contribute positively to the greener of supply chain inter-organisation relationship. While the overall development of the inter-organisation relationship, all our cases use governance mechanisms initiatives which increase the confidence of manufacturers and suppliers in a long-term relationship.

### **Relevance/contribution**

This study expressed in the form of the effective inter-organisational relationship governance mechanism and green supply chain collaboration ‘knowledge’. Based on data analysis, the best universal practices of governance mechanism initiatives in supply chain relationships are discussed and offered that will reflect exploration as far as monitoring and control of green supply chain relationship tasks. This study reconfigured and developed governance mechanism initiatives within the supply chain inter-organisation relationships (RQ). One of the key factors in bridging the gap between the literature on the green supply chain collaboration in theory and the limited case study is the study insights into the effects of manufacturers and suppliers’ behaviour. The governance initiatives of green supply chain inter-organisation relationship can be considered to be the point at which theory meets practice. By providing an in-depth case study account in which SCC criteria of particular relevance in multicultural collaborators are both identified and addressed, the research provides an original and much-needed contribution to knowledge.

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