Critical Success Factors for Sustainable Supply Chain Management Implementation in Indian Steel Sector

ABSTRACT

The purpose of this research is to address the emerging practice of sustainable supply chain management (SSCM) and examine the role of various critical factors in implementing the SSCM practices in organizations. A model is presented on the relationship among external pressures, organizational internal environment and sustainable supply chain management practices and how each one of them influence in delivering organizational sustainability performances. The model has been tested using interpretive structural modeling (ISM), exploratory factor analysis (EFA) and finally structural equation modeling (SEM), based on survey data collected from 145 practicing supply chain managers from India's steel sector. Results support the causal linkages between external pressures and organizational internal environment, between organizational internal environment and SSCM practices and between SSCM practices and organizational sustainability performances. However, the causal linkage between external pressures and sustainability performance is not confirmed. Managers need to understand these implications and accordingly put right focus in creating favorable internal environment and wholeheartedly implement the new SSCM practices. As the model depicts, SSCM initiatives lead to planned actions in decreasing energy and material costs, thereby contributing to cost reduction and profitability of the organization. The findings of this study contribute to the theory and past research by suggesting that implementation of SSCM practices can improve the organization's economic, environmental and social performances. The study can provide useful insights for those involved in implementation of SSCM practices in their organization.

Keywords: Sustainable Supply Chain Management, Critical Success Factors, Interpretive Structural Modeling, Structural Equation Modeling.