# Chapter 6 The Impact of Green Attributes From Suppliers on Supply Chain Performance

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### ABSTRACT

Nowadays, green supplier selection (GSS) is one of the most important activities for companies. Therefore, this research aims to demonstrate the relationship that exists between GSS and the marketing benefits of companies. The chapter proposes a structural equation model that integrates three latent variables. The two independent latent variables concern preproduction green attributes and process green attributes, and they are associated with a dependent latent variable: marketing indexes. Thus, three hypotheses are proposed to relate these latent variables. To validate such hypotheses, a survey is administered to 253 middle and senior managers from the manufacturing industry of Ciudad Juárez. Similarly, a descriptive analysis of the sample and the items is carried out. Results show direct and positive effects among the analyzed variables. However, the highest impact is caused by preproduction green attributes over production process green attributes.

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#### INTRODUCTION

On one hand, the role of suppliers in the performance and competitiveness of supply chains has made their correct selection and maintenance two top priorities for companies. This is why activities associated with supplier selection, development, and management have notably increased in the last few years (Trapp & Sarkis, 2016). On the other hand, sustainability is also playing a key role in the competitiveness of companies, which consequently seek to adopt more green supply chains (Trapp & Sarkis, 2016).

Sustainability is an intergenerational philosophy that cares for the appropriate use of available resources without compromising the needs of future generations. Therefore, when companies make decisions related to their sustainability, they consider not only environmental, but also economic and social factors (Elkington, 1998; Trapp & Sarkis, 2016). Thus, sustainable practices range from actions that respond to regulations imposed by the government – such as the safe handling of hazardous materials – to the development of sustainable plans to gain competitive advantage from green practices (green design, green marketing, repair, recycling, remanufacturing, and reutilization of materials and products), which reduce the negative effects of industrial processes on the environment (Buysse & Verbeke, 2003; T. Wu, Jim Wu, Chen, & Goh, 2014). Therefore, product recovery, waste reduction along the supply chain, and the implementation of green practices have become essential to every company (Mangla, Madaan, & Chan, 2013).

From such a sustainable context, the concept of green supply chain management (GSCM) has emerged and can be defined as the integration of environmental concepts in the supply chain, including product design, material supply, green supplier selection, production processes, final product delivery, and product management after its use (Srivastava, 2007). Integrating these activities improves the environmental performance of the supply chain, enables companies to comply with government regulations, and contributes to a greener corporate image. All these benefits can later translate into greater financial or economic profits (Christensen, 2008). Moreover, rather than being costly practices, sustainable initiatives have proven to be a successful competitive advantage for companies (Hollos, Blome, & Foerstl, 2012), but their success also depends on the suppliers involved in the whole supply chain.

Companies from all industries are thus seeking to incorporate more and more green suppliers in their daily operations and processes (Meehan, 2011), since they help directly and indirectly to improve the environmental performance of companies, which must include specific green criteria in decision-making processes. That is, green supplier selection allows for the incorporation of environmental criteria in the supply chain (Igarashi, de Boer, & Michelsen, 2015).

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