Using Publicized Information to Determine the Sustainable Development of 3-PL Companies

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ABSTRACT

Sustainability issues have been seen as a promising paradigm for achieving a better future. Firms in the logistics service sector are still lacking clear value propositions on sustainable development. While many organizations publish their mission statements publicly as kinds of public information, reviewing mission statements is an appropriate means to evaluate an organization's strategy. This study focuses on the public information such as mission statements of the top 50 global 3-PL companies and the relevant sustainable development. A comprehensive content analysis identified four major content dimensions of mission statements relating to sustainability development. The dimensions are driving forces, approaches, responsibility to stakeholders, and competitive values. This paper offers a good methodological reference for researchers or practitioners managing the public information of organizations. Network analysis reveals that the location of companies has a limited effect on their mission and strategy as they all provide global service.

KEYWORDS

Effective Information Management System, Mission Statements, Network Analysis, Public Information, Sustainability, Text Analysis

1. INTRODUCTION

Third-Party Logistics (3PL) firms, are one kind of logistics services providers who manage, control, and deliver logistics activities on behalf of shippers (Hertz & Alfredsson, 2003). They provide integrated services to their customers that allows them to outsource their supply chain management functions. Emphasizing on core-competencies and re-engineering efforts in the supply chain of various industries, 3PL firms are facing a number of challenges. These challenges include competitiveness in the market, social responsibilities relating to environmental issues, and increasing customer demands.

Over the last few decades, sustainable development is seen as a promising paradigm for achieving a better future, and has gained increasing interest from the business sectors, including the logistics services industry (Evangelista et al., 2018; Law & Gunasekaran, 2012). Environmental aspects, which are within the scope of sustainability, have been studied among logistics companies, as well 3PL companies (Herold & Herold, 2018).

Sustainable development (SD) involves the integrative approaches addressing environmental sustainability while ensuring social and economic prosperity at the societal level (Khalili et al., 2015). The sustainable development necessitates the set of visions and policies, for building the methodological tools and applicable procedures (Almeida et al., 2015; Haes et al., 2019).

While many organizations publish their mission statement publicly as kinds of public information, reviewing mission statements is an appropriate means to evaluate an organization's strategy (Bart, 2007; Bartkus et al., 2004; Bartkus & Glassman, 2008; Stallworth Williams, 2008) and values (Johnson et al., 2008; Law & Breznik, 2018; Taghi Alavi & Karami, 2009; Thompson & Strickland, 2003). Studies on mission statements in different types of organizations have been carried out (Analoui & Karami, 2002; Bart, 2007; Law & Breznik, 2018; Pearce & David, 1987), however just only a few are focusing on a particular industry (Jandaghi, 2011). Despite the increasing interest toward sustainability issues, studies on the communication of mission statements and the sustainable development strategy of 3PLs, are still missing.

This study focuses on the public information obtained such as mission statements of the top 50 global 3PL companies (in terms of revenue) to identify the gap in the existing literature concerning sustainable development in 3PLs by using a methodological approach based on mission statement. Previous studies on mission statements among companies in other industries indicated that the sampling method used may have limitations which may lead to biased results. Therefore, we set this exploratory study by postulating two research questions:

RQ1: Are third-party logistics companies concerned about sustainability?
RQ2: What are the dimensions relating to sustainability revealed from the mission statements of third-party logistics companies?

The theoretical background of this research is presented in Section 2. It is followed by Section 3 and Section 4 for research methodology and results respectively. The last two sections, 5 and 6, present the discussion of results and conclusions. Lastly, effective information system is recommended as crucial to facilitation of the sustainable development approaches.

2. THEORETICAL BACKGROUND

2.1. Organization Vision and Mission

The strategy process is started by visioning (Finkelstein et al., 2006). A vision statement defines the strategic direction and is generally used to drive an organization to gain competitive advantages (Breznik & Law, 2019; Costanza et al., 2014; Mirvis et al., 2010; Sutcliffe & Vogus, 2003).

A compelling vision serves as an essential tool for effective communication from top management to reflect the realistic values within an organization (Coulson-Thomas, 1992; Wilson, 1992).

With respect to their sets of values, organizations define their own missions or purposes of existence (Law & Breznik, 2018). Values are embedded in mission statements (Bourne & Jenkins, 2013; Dobni et al., 2000; Paarlberg & Perry, 2007; Porter, 1985), which support the implementation of strategies (Natek & Lesjak, 2013; Semler, 1997; Tosti & Jackson, 1994; Wang et al., 2017). Sets of values constitute organizational culture, which are critical resources for organizational sustainability (Bowman, 1984; Child & Faulkner, 1998; Pandey, 2015), and sustainable competitive advantages for desirable outcome (Malbašić et al., 2016; Noorderhaven et al., 2002).

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