Chapter 3
Effect of Eco-Logistics Practices on Organizational Performance With Mediating Role of MSE Competitiveness in Ethiopia

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ABSTRACT

With a focus on the mediating function of businesses' competitiveness, this study sought to empirically investigate the impact of eco-logistics practice on organizational performance. Using basic random sampling methods, the appropriate respondents were chosen from the target groups. The relationship between competitive advantages and the mediating impact was examined using the structural equation model (SEM) with AMOS software. The findings suggest that increased organizational performance and a stronger competitive advantage can arise from higher levels of logistical practice. Additionally, a competitive edge can directly and favorably

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affect the functioning of a business. Hence, in order to support MSEs, policy makers, academic institutions, non-governmental organizations, and other interested parties should focus on giving them the tools and training they need to advance their eco-logistics practices, which will boost their organizational performance and competitiveness.

1. INTRODUCTION

The fierce rivalry based on environmental issues today is making it difficult for businesses to become globally competitive (Hameed et al., 2021). Consequently, in order for businesses to survive and grow, they need to be able to predict and evaluate their ecosystem with accuracy. They must be able to adapt to a continuously changing environment, operate with effectiveness, and make judgments about structural changes on a regular basis to adjust with environmental issues (Kuzminski et al., 2020).

In today's competitive, global economy, Eco-Logistics management is a critical strategic component that boosts competitiveness. From a more passive and cost-minimization focused activity, the importance of Eco-Logistics management has grown to become a critical success factor for business competitiveness. Consequently, there was growing agreement that businesses must address Eco-Logistics concerns in addition to financial and commercial ones (Ristovska et al., 2017).

The growth of Eco-Logistics science in its current form can be attributed to a variety of causes, including deregulation, profit leverage, globalization, competitive pressures, and information technology(Hooley, 2020). All business operations require Eco-Logistics management because without it, materials cannot be moved, operations cannot be completed, manufacturing cannot be completed, products cannot be delivered, and customers cannot be supplied (Omoush, 2022). In order for businesses to remain competitive in a globalized market, Eco-Logistics is a crucial instrument for improving operational performance and efficiency (Dennis Adeitan et al., 2022).

The ability to provide goods and services to clients more effectively than rivals is what makes a business competitive. According to (Rodrigues et al., 2020), a firm's competitiveness affects its ability to prosper. To accomplish a firm's competitiveness, such as cost reduction, flexibility, market share, and return on asset, Eco-Logistics operations related to procurement, inventory management, transportation management, and information flows management are tools (Karia, 2022).Furthermore, in order to lower expenses, boost operational efficiency, and become more competitive, successful businesses nowadays use Eco-Logistics management techniques. In today's commercial environment, Eco-Logistics organizes and integrates the flow of