

Chapter 1

A Study of Drivers and Barriers of Green Supply Chain Management Practices in the Context of Developing Framework for SMEs

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ABSTRACT

Green Supply Chain Management (GSCM) has become a key means of pursuing environmental sustainability, resource efficiency, and competitive advantage. While Small and Medium Enterprises (SMEs) account for much of the world's economic growth, they also face unique challenges and opportunities so far as adoption is concerned. In this connection, the chief driving forces for GSCM adoption by SMEs. Government control and market request; greater efficiency in terms of resources saved; corporate social responsibility; and the growing realization of environmental impacts. Input of this kind from both official non-governmental agencies acts to activate further activity in the field. There are also a number of obstacles which deter SMEs from applying GSCM. These include financial constraints, technical know-how lacking, lack of awareness and information, the status quo of fear to change which is not conducive for growth. In addition there is insufficient support for procurers from other segments in the supply chain.

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1. INTRODUCTION

This requires bringing new levels of environmental awareness into capacity building and education programs for SME managers, offering financial incentives or subsidies as necessary and urging on participants from all sides through joint participation in forums (Lee, 2021). If the drivers and barriers of GSCM in SMEs can be identified and resolved, then companies will be able to integrate sustainable practices into every segment of their supply chain activities. This not only raises environmental performance it also enhances their resilience and competitiveness in an eco-aware world increasingly looking for the green products and services (Dash et al., 2019).

With the heightened awareness of environmental impact across the globe, Green Supply Chain Management (GSCM) has gained traction as a key strategy to ensure environmental sustainability across industries (Ahmad et al., 2020). The significance of adopting GSCM practices is growing amongst SMEs small and medium enterprises which are the backbone of many economies. The implementation of green supply chain practices in SMEs is, however, delayed because of many drivers and hurdles affecting the adoption process. Understanding these aspects in greater detail is essential in designing a more effective framework for promoting GSCM amongst SMEs since these need to be integrated in ways that fit the unique nature of smaller organizations.

1.1 Key Factors Affecting GSCM Implementation in SMEs

Internal and external elements are among the main influences of SMEs functioning GSCM methods. Much of this motivation stems from the internal drivers of organizational leadership, environmental awareness, and the drive for operational efficiency. The top management commitment towards sustainability is a key factor that significantly affects the development of the green organization culture. Initiatives that focus on environmental sustainability in leadership promote employee adoption of green initiatives like minimizing waste, optimizing resources. The need to streamline operations by implementing energy-saving initiatives and reducing waste also plays an important role for SMEs in adopting green actions. External factors are regulatory requirements, market pressure, customer demand, and technology. Government policies to regulate environmental protection can play a role and provide SMEs with significant pressure to go green. Avoids legal penalties: On the other hand, if SMEs comply with environmental legislation, they can avoid legal penalties while improving their corporate image. Moreover, as consumers increasingly expect eco-friendly products, small and medium-sized enterprises (SMEs) must adapt their supply chain activities towards sustainable. Larger corporations and supply chain partners also put market pressure on SMEs to go green as a condition to continue working with the SME. Technology, in the form of systems for implementing renewable energy sources and sustainable packaging, also can help pursuit of greener supply chains (Bajgoric, 2023).

1.2 Background of Green Supply Chain Management: Challenges for SMEs in Implementing GSCM

Though there are compelling drivers, there are also several barriers that restrict the widespread adoption of GSCM practices among SMEs. However, compared to larger corporations, SMEs often have tighter budgets, which make it harder for them to invest in green technologies and sustainable infrastructure. While green supply chains require investment in renewable energy systems, eco-friendly materials, and

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