

---

# Management Summary: Impact of Socially Responsible Purchasing on Supply Chain Performance

*By Titilayo Ogunyemi*

*Brunel Business School, College of Business, Arts and Social Sciences, Brunel University London, UB8 3PH, United Kingdom - Titilayo.ogunyemi@brunel.ac.uk: +44(0)745326685*

## Introduction

Supply chain management has the objective of meeting the requirements of end consumers by supplying appropriate products and services when and where they are needed at a competitive cost. In today's business environment, companies are getting wake up calls from many of their stakeholders for their social performance including suppliers' history, treatment of workers and their community as a whole. Organisations are expected to contribute to the development of a sustainable society by actively introducing products and services that are not only economically appealing and environmentally solid but that advance the fulfilment of a social need (Sarkis et al., 2010). In their work, Carter and Jennings (2004) empirically established socially responsible purchasing to include stand-alone activities such as sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues at supplier plants.

## Background problem statement

Many companies experience rapt attention to their actions from a number of stakeholders, among others customers, media, governments and investors. The background problems are as follows:

- Little knowledge and practice exist regarding the incorporation of social aspects into purchasing activities by both businesses and public organisations.
- Gap between the societal desire of more socially responsible purchasing and the slow adoption and implementation across organisations.
- Companies have policy for including social aspects in dealing with suppliers, but some believe it does not have any impact on their supply chain performance.

## Research Objective

The purpose of this research is to:

- Ascertain the main drivers that facilitate the successful adoption of socially responsible purchasing practices.
- Investigate the major barriers that impede the adoption of socially responsible purchasing practices.
- Determine the main supply chain performance measures in relation to socially responsible purchasing practices.

---

## Research Questions

In order to achieve the research objective, these are the questions that will be answered:

- What are the major drivers of and barriers to SRP practices.
- What are the main performance measures in relation to socially responsible purchasing practices?

## Research Methodology

An in depth systematic literature review of 140 peer reviewed and scholarly papers related to the research topic was carried out. The journals reviewed were among others, journal of supply chain management, Supply chain: An international journal, International journal of operations and production management etc.

## Findings

Based on the journal papers reviewed, these are the main driving factors that facilitate the adoption of socially responsible purchasing ranked in descending order of 1 to 4, 1 being the main driver as it is the most mentioned in the papers.

1. Top Management support
2. Government regulations
3. Customer pressures
4. Organisational culture

It can therefore be deduced that drivers of socially responsible purchasing activities are important in any organisation's move to attain success.

Despite these drivers, companies encounter some barriers that impede the adoption and implementation of socially responsible purchasing, which according to the review of literature in descending order of 1 to 4 are:

1. Lack of suppliers' compliance with regulations
2. Cost
3. Organisational Culture
4. Management style

## Overview of supply chain performance

According to literature, apart from addressing the social needs of supply chain, socially responsible purchasing can also provide significant performance benefits. Based on papers reviewed, the following are some of the main performance measures used in organisations. These are listed in order of priority.

1. Quality
2. Productivity output
3. Price
4. Speed
5. Customer satisfaction
6. Environmental safety
7. Community Support

---

Considering the socially responsible purchasing practices which include sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues, they are believed to have significant impact on an organisation's supply chain performance when carried out appropriately.

## Conclusion

The findings show that some drivers and barriers are seen to be more important than the others. The results indicated that top management support and government regulations are the major driver of the practices while lack of financial resources and lack of suppliers' compliance with regulations are main hindrances to them. While the current study establishes the various drivers of and barriers to socially responsible purchasing in the supply chain process, further in-depth examination of how the drivers and barriers impact the degree of adoption of socially responsible purchasing and how this influence the supply chain performance will provide value and practical understanding for future strategy by organisations.

This research will assist policy makers and management of industries to discover the critical factors needed in the overall success of their supply chain processes in relation to sustainability. It will also assist government in their policy-making decisions as regards the manufacturing impact on the environment and society.