

Environmental Orientation Motivated Green Supply Chain Management Practices

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Industrial leaders are under pressure to develop greater environmental responsibility due to the increase in global pressure from stakeholders in terms of climatic change and its implications. Greening efforts by manufacturing firms to develop environmentally friendly products, systems, technologies, processes, and business practices have become popular due to growing societal awareness of the environment. According to, green supply chain management, sustainable supply chain management, and environmentally sustainable supply chain management are interlinked and contribute towards goal achievement by minimizing the adverse effects of the firm's operations on the environment. Similarly, also state that the interlinkage of environmental management with the supply chain is critical in sustaining corporate development. The supply chain aims to reduce emissions. At present, the trade-offs in the supply chain are quality, carbon, cost, and service. For two reasons, the supply chain is critical to greening manufacturers. To begin with, the supply chain has a close interaction with the natural environment since it deals with the materials needed for manufacturing. Second, the supply chain's purchasing practices can affect the manufacturing suppliers' environmental perceptions and capabilities. For successful green supply chain management, resource allocation and organizational structures are significant contributors to sustainable corporate social reputation and brand building.

institutional pressures

environmental orientation

performance outcomes

green supply chain practices

1. The Effect of Institutional Pressures on the Practices of GSCM

According to ^[1], the institutional theory states that a company can consider other companies' actions while determining its organizational practices. The company emphasizes the political and institutional validity of socio-economic rewards and the competition for resources and customers. Taking industrialization into context, a company that consults validity would seek to comply with rules and regulations. There is an increase in the concerns related to environmental protection because of the growing market expectations about social responsibility for environment-based companies ^[2].

There are two ways for these pressures to operate, to reduce and broaden acceptance of GSCM institutional practices. For example, forced pressure constrains regulatory options over GSCM methods from which product recovery is due to limitations in the structure of networking and capabilities. According to ^[3], a company's ability

can be compromised to achieve the best performance improvement by compromising the organization's capacity if undertaking a simulated approach to implement GSCM practices. One of the studies confirmed that companies are likely to be eager to implement GSCM due to environmental requirements, customer support, and government pressure [4]. The study stated that the response is heterogeneous to various institutional pressures, whereas some found that organizational pressure might cause adopting green practices. There are many previous studies in support of our view that institutional pressure positively affects companies in adopting GSCMPs, coercive pressures [5][6][7], normative pressures [8][9], and mimetic pressures, [10][11].

The above studies show that institutional pressures such as coercive, normative, and mimetic positively affect GSCPs. Considering coercive pressures, external stakeholders mainly exert these pressures, such as governmental authorities and non-governmental organizations. They force the companies to execute a variety of environmental regulations and standards as they are essential and compulsory to adopt. They help in shaping the legislative and environmental protection of the organizations. The study develops a hypothesis to see how the manufacturing companies in Saudi Arabia face coercive pressures in adopting GSCPs.

Next, considering normative pressures, these pressures are mainly exerted by suppliers, consumers, trade unions, media, and other social bodies. They are the driving factors that influence the norms and sense of responsibility as these pressures affect companies' social complaint behavior and actions. Normative pressures ensure that consumers and suppliers operate in an external environment and companies operate in a social complaint way to encourage GSCPs. The study develops a hypothesis to see how Saudi manufacturing companies take up normative pressures while adopting GSCPs.

Considering the last pressure mimetic pressure, it is shown that this pressure comes into play when companies compete to seek superior performance. This is done because the companies need to reply to their competitors' behavior and actions. This pressure encourages environmental management in companies. Intense mimetic pressure can enable companies to adopt up-to-date environmental management and technologies to generate superior performance. The study develops a hypothesis to see how Saudi manufacturing companies deal with mimetic pressures to adopt GSCPs.

| 2. Effect of Environmental Orientation on GSCM Practices

As per the resource-based view theory, it is perceived that the company's strategic direction (environmental orientation) as the valuable intangible resource plays the role of a mentor of strategic practices, enhancing performance [12]. One of the experimental studies conducted in China showed that export projects with higher levels of marketing orientation are more suitable for carrying out strategic activities in various fields such as pricing, marketing communications, and new product development [13]. Similarly, another study showed that the external and internal environmental trends play a role in decision-making to develop environmental strategies within the functional field of marketing [14].

An internal environmental orientation influences the GSCM due to organizational learning and knowledge sharing among company members. The effect of external environmental orientation is best explained based on institutional theory. Based on this perspective, companies need to address the various constraints imposed by some important institutions. The more companies adhere to these institutions' restrictions, the greater the chances of their stability and validity, and greater will be the circumstances of their survival ^[1]. One of the previous studies focusing on textile firms narrated that textile firm management fully comprehends GSCM practice implementation techniques in operations and reconfigures accordingly in a competitive business environment while boosting firm performance ^[15].

The above studies show that internal and external environmental trends grow from internal and external sources, which indicates an impact for each of them on GSCM. Still, this effect may be derived from different paths, even though there is a positive impression for internal environmental trends and external to the GSCM. Therefore, the study develops the following hypotheses to investigate how Saudi manufacturing companies are affected by the internal and external environmental orientations while adopting GSCM practices.

3. Association between Green Practices and Performance Outcomes of Companies

A series of measures have been adopted by developed countries for revitalizing the manufacturing industry ^[16]. It is necessary to measure performance to manage the activities and operations to improve SC management ^[17]. It is also a prerequisite to enhance. It allows the current system to work efficiently compared to alternative systems ^[18]. While ^[19] believes that if there are no appropriate metrics for measuring supply chain performance, this will affect customer satisfaction, leading to lost opportunities to improve SC performance. The indicators or performance measures should be defined and then evaluated to monitor the efforts of organizations in their various activities, which are designed to achieve sustainable development ^[20].

Many researchers have provided different combinations to study and assess the relationship between green practices and corporate performance. The studies published in the literature showed positive and negative relationships between environmental activities of organizations and the economic, operational, and environmental performance of companies ^{[21][22][23][24]}. Therefore, this study develops the following hypotheses to see how Saudi manufacturing

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