Contextual Relationship Among Barriers to Sustainable Procurement: An Identification and Evaluation in Indian Context

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ABSTRACT

Sustainability is an important agenda within purchasing due to global awareness on environmental aspects. India has entered a track of economic reforms, with the purpose of integrating with the world economy. In this article, an attempt has been made to identify and evaluate barriers in implementation of sustainable procurement in Indian context. Literature review approaches have been used to identify barriers to sustainable procurement. Interpretive structural modeling (ISM) techniques have been used to develop models which gives a contextual relationship between barriers. Further, a MICMAC analysis has been used to learn the significance of identified barriers based upon their driving and dependence powers. This study concludes that lack of funding for research and lack of social and environmental consideration has been found as most dependent barriers and lack of legislations and government support has been found as the most independent barrier. This article may help practitioners and managers in eradicating these barriers and developing new ideas in this direction.

KEYWORDS
Barriers, Interpretive Structural Modeling (ISM), MICMAC Analysis, Sustainable Practices, Sustainable Procurement

1. INTRODUCTION

Sustainability is an important research agenda among the academia and industry practitioners to achieve environmental, societal and financial benefits. The impacts of sustainability in last few years on society are gaining momentum in today’s business scenario to attain environmental, economic and social performance (Costello et al., 2009; Morali and Searcy, 2013; Luthra et al., 2014a). In recent times in India, sustainability concept has received attention within purchase and supply activity due to awareness on global environment like sustainable manufacturing, logistic etc. In today’s world, firms should need a continuous improvement and innovation in work to sustain in competitive business. Sustainability means sustain and ability. It is the property due to which a system remains productive for long time. The study of environmental science and sustainable development is known as sustainability science (Lynn et al., 2014). For survival of human beings and other organisms, environment and eco-system should be healthy. Figure 1 is showing the sustainable as reported in the literature (Luthra et al., 2014b)

Sustainability in production processes and supporting activities have drawn increasing attention over the past few years (Luthra et al., 2014a). Procurement is the process of getting items, goods, and

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Figure 1. Sustainable as reported in the literature (Source: Luthra et al., 2014b)

services from suppliers via a tender or other process with complete terms and conditions (Weele et al., 2010). Procurement involves decisions making of buying goods and services. These decisions involve handling, quality, delivery, pricing and benefits. Procurement is a very important element of supply chain management because it directly influences the manufacturing process of a firm. Indirect procurement means procurement of goods and services used indirectly in production process like heavy machinery/equipment, lubricants, services like consultancy and outsourcing etc. (Lewis and Roehrich, 2009; Caldwell et al., 2009). Because, purchasing is the first stage of the Supply Chain Management (SCM), it is a critical process affecting the consecutive stages towards achieving sustainability in supply chains (Luthra et al., 2017).

As in the developmental agenda of nations sustainability becomes vital issue. The focus of developing countries is mainly on procurement systems that are beneficial for sustainable procurement system for both short and long term. Sustainable Procurement concept originally came into the picture in 2002 from UN World Summit on Sustainable Development. Borland (2009) suggested including financial, environmental and cultural considerations in SP concept. Indian industries have taken a new force in sustainable activities which is beyond green activities and is called sustainable procurement. The firms are working to make a procurement policy with social, environmental activities for socially and economically beneficial. Research in sustainable procurement is at a nascent stage and lot of research scope is there in the field of sustainable manufacturing, logistics and procurement. Therefore, to fulfill this literature gap, this study is an attempt with following objectives:

1. Identification of barriers to sustainable procurement in Indian context
2. Evaluation of the identified barriers to sustainable procurement in Indian context

The research study aims to identify barriers to sustainable procurement in Indian context and explore how these are interlinked and interrelated (Venkatesh and Luhtra, 2016). Almost 50 papers reviewed and get expert’s input after discussions were used to precisely identify barriers to sustainable procurement in Indian context. To analyze these barriers, firstly the Interpretive Structural Modeling (ISM) approach was used (Luthra et al., 2011) and then, MICMAC methodology was utilized to classify barriers into driving, linkage, dependence and autonomous factors.

The organization of rest of the article is as follows: Section 2 provides the related literature on Sustainable Procurement (SP) and identifies the barriers to sustainable procurement. Section 3 describes a solution methodology. Data analysis and related results are presented in Section 4. Discussions with managerial implications are provided in Section 5. Then Section 6 finally provides conclusions, limitations and the scope for future research.
Sustainability Campaigns and Consumer Involvement: Effects of Altruism, Locus of Control, and Long-Term Orientation
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