The Sustainable Culture and Entrepreneurial Orientation as Antecedents of Socially Sustainable Supply Chain

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Abstract—This study contributes to the literature on SSCM through analyzing the influence of entrepreneurial orientation and culture on the implementation of social sustainable practices in supply chain. The previous research studies have focused on the external and structural forces or the purchasing function. The study has used the SEM-PLS for the analysis of data collected from the manufacturing SEMs operating in Thailand. The current research contributes to the existing literature through giving evidence of strategic choice and cultural attributes possessed by a firm. Moreover, it reflects that basic social practices in the supply chain are the result of sustainability culture. The impact of sustainability culture on the implementation of advanced social practices in supply chain is influenced through entrepreneurial orientation. This study has analyzed the decision-making orientation and internal culture of a firm and the combined influence on the selection of social sustainable practices in supply chain. It has been revealed through results that advance and basic social sustainable practices across the supply chain are positively linked with the level of sustainability culture of a firm. A strong positive association is shown between the sustainability culture of a firm and implementation of both types of social sustainable practices in supply chain. The relation between the adoption of sustainable practices and sustainability culture is variable affected by entrepreneurial orientation. There is no considerable affect entrepreneurial orientation on the basic practices and sustainability culture. This contradicts with the hypothesis that the relation between basic practices of social sustainability in the supply chain and sustainability culture is influenced through entrepreneurial orientation. The study will be helpful for policymakers and researchers.

Keywords: Social, Sustainability, Supply chain, Thailand

1. Background

The drivers behind implementing different sustainable practices have been examined in this research paper. Certain factors have been shown by research, which influence the adoption of sustainable environmental practices. However, few have focused on the social practices of supply chain. Such studies have defined some of the adopted practices and motives behind them. In this research, the supportive role of sustainable culture has been examined to define the implementation of basic practices of social sustainable SC including management systems, monitoring systems, redefinition of strategy supply chain.

The role played by the entrepreneurial orientation (EO) of a firm in the formation and strengthening of the relation between adoption of social SC sustainability and sustainable culture has been explored. It has been found by the research findings that there is positive relation among SUSCL and all the EO and practices influencing the sustainable social culture in the use of latest social sustainable practices in SC practices. The study has single respondent in single point of time. The nature of study is cross-sectional and is based on one country. The development and enhancing cultural attributes for implementing practices of social sustainable SC are the important managerial implications. Moreover, these practices include monitoring suppliers for the changes in behavior within the supply chain. This research study is first of its kind because of the incorporation of entrepreneurial and cultural variables in testing the social sustainable practices of supply chain. In this way, this study gives new insight about the adoption of social sustainable practices of supply chain.

A strategic choice theory has been applied to overview the variability in the implementation of different practices of supply chain. It offers an understanding of the managers’ role in SC as creators and protectors of environment. Over the last decade, sustainability issue has become popular within the management of SC\cite{1}. Sustainability is regarded as no harming the social and natural systems during the production processes for gaining profit over a specific time\cite{1}. The adoption of sustainable practices of SC has tried to be explained by the managers and researchers. Moreover, the consequences have been predicted about the use of such practices. The environmental sustainability (ENVS) across the SC has been examined by most of the literature\cite{45}.
However, some recent studies have focused on social sustainability issue [2, 3]. Social and ENVS are crucial parts of sustainable organizations. There is limited empirical research on the practices of social sustainability and its history [4, 5]. The use of social sustainable practices in SC has been examined in this research paper to understand the factors leading to their implementation.

The adoption of sustainable practices has been examined by the SC researchers from a deterministic aspect specifically from the lens of institutional theory [6]. It has been suggested by the deterministic aspect that the contextual factors such as external environmental factors determine the choice that is experienced by a manager. It has been argued that sustainability practices should be adopted by firms to achieve legitimacy related to requirements of business environment and external stakeholders [7]. The variation in behavior of SC management has been explored by the deterministic view, which has been challenged by some recent researches as a response to the external pressure [46]. For instance, the different in alignment between the practices of sustainable management of SC and SC management is based on the decoupling idea Wuttke, Rosenzweig [7] in the institutional theory [8]. It reveals the way in which organizations allow variation in the sustainable policy and practices to protect their integrity. Outward signs of compliance have been shown with the demands of stakeholders. However, few internal changes have been made. In the similar way, the symbolic and relation dimensions of activities of corporate environment have been explored by [9].

The interaction between the actions in the institution are produced, legitimizing, and understood as symbols in the processes of institution, which is regarded as the symbolic corporate environmentalism. It is important to view the sustainability activity in a political and interactional way, in which different stakeholders’ collaboration, compete, and collude to give a specific output. The current research has been extended by explaining the expected causes in the discretionary behavior faced by the manager of SC with regard to the external and internal pressure of becoming sustainable. The conclusion has been made on the strategic choice theory [10]. The discretion level accessible to the decision makers in making choice of structural alignments within the organization has been examined by [10].

The structure choice is not just a rational process, in which contingency factors faced by a firm are analyzed or blind response is given to the deterministic demands. The choices faced by managers are limited by the environmental forces. The preferences and values of the managers and their ability to manipulate and influence the operational context of firms are reflected by these strategic decisions. For choice of strategic management, EO construct has been used as a proxy measure. It has been suggested that an important exploration has been provided by the EO into the strategic decision-making nature. High-level adoption of proactive social sustainable practices in SC is linked with high level of EO. It has been argued that a crucial role is played by EO in the adoption and development of specific sustainable practices in supply chain. The inter-firm differences have been explained by the concept of SUSCL in the implementation of such practices [11]. The study is carried out on the SMEs of Thailand. The detail of SMEs is shown in the figure 1. The manufacturing SMEs are the largest among the groups.

![SMEs in Thailand](image_url)

**Figure 1.** SMEs in Thailand

There is not similarity in all the sustainable practices, but such practices can be supported by EO and SUSCL. However, it is not clear that which practices are supported by these factors. Two groups have been focused by using the literature on SSCM related to social sustainability. The first group involves the social sustainable practices in supply chain. These are focused on the process of monitoring, coordinating the procedures and performance, which are established already [8]. The second group involves the advanced social sustainable practices in supply chain. This group has innovative social sustainable practices for supply chain, which explore new opportunities for supply chains [8]. It redefines the SC and its working [1]. The focus of these latest practices differs as per the various social sustainability factors. However, their commitment level towards the social sustainability also differs. Protection is provided to the firms by these basic practices to incentivize and monitor behaviors of social sustainability. Willingness is entailed by advanced practices to deviate from the existing processes.

2. Literature Review

2.1 Social sustainability SC practices and SUSCL

The SUSCL has been studied by very limited researchers as an antecedent to the use of social
sustainable practices. The recognition of the influence of the activities of a company on the community and environment is recognized by the SUSCL, which aims at minimizing this influence. The decision making process of a firm is translated into values and philosophy [1, 12]. The sustainable cultures are developed by the values, which are embedded in sustainability issues. The implemented practices reflect the sustainable cultures [1]. An atmosphere is provided by the cultures, which are oriented sustainability. In this environment, daily conversations have a sustainability aspect and triple bottom line is taken by the organizations for decision making rather than the economic view. Sustainable benefits are encompassed that do not exist in the traditional supply chains [1].

The focus of most of the traditional empirical studies is on sustainability and ENVS. It is found that whether the organizations having sustainable culture adopt the practices higher than the regulations [1, 12, 13]. A direct positive relation is shown by the SUSCL on the implementation of GSCM practices such as eco-designs and green purchasing. Moreover, it has been predicted by the development of SUSCL that it results in the implementation of practices, which are sustainable in nature [14]. Ten examples of SC sustainability were involved in the study of, which found that the adoption of sustainable practice is derived SUSCL.

There is limited research on the SC social sustainability. However, a study found that ethics program is resulted through social SUSCL. However, external pressure on the firm results in the adoption of ethics programs, which lead to showboating and resistance. The use of social sustainable practices within the SC cannot be merely explained by the institutional pressures. This is because of the choice made by firm about decoupling their enacted activities of SC[8].

The driving factors and outcomes of practices of social sustainable with the performance of firm were examined by Vanalle, Ganga [15]. It was found that supplier sustainability cooperation is derived by the supply management orientation and strategic purchasing. This ultimately results in the adoption of practices, which are socially sustainable. Managers were asked about their reaction to different stakeholders and its influence on the decision of supplier selection [16]. Cost is favored over sustainability, when the focus of managers is on shareholders. However, when the focus is on public intentions, it leads to ethical culture and sustainability. A negative influence is created on the prevalence of sustainability by focusing on customer. The adoption of sustainable practices is derived by cultural and stakeholder orientation.

### 2.2 Basic practices and SUSCL

When a sustainable culture is developed by a firm, it adopts sustainable practices within the organization [14]. Sustainable practices are adopting within the organization as well as across the SC[8]. Some studies are based on specific practices, which are influenced through SUSCL. It was found by a study that the interest of a focal firm in the basic compliance of key suppliers with practices of sustainability is influenced by the firm’s sustainable culture [12]. It has been suggested that a high culture of sustainability is linked with evaluation and control of social sustainable practices in SC of suppliers. However, a low sustainable culture results in lack of monitoring practices. This is because of the less concern of the firm with the risks linked with social sustainable practices of supply chain.

Companies having strong SUSCL focus on the members of organizations with certain issues of sustainability. The use or adoption of the environmental management system such as ISO 14001 is the most common practices of sustainability adopted by firms. Suppliers are pressurized by buyers to adopt sustainability in their management systems [17]. Organizations receive great environmental outcomes and credibility by using external and internal environmental management systems. There is lack of research on social sustainability. Therefore, a similar relation has been hypothesized to the environmental management systems.

The antecedents of social sustainability management systems have not been explored by any study. However, some studies show that a similar antecedent is followed by the adoption of sustainability practices and environmental practices [1]. The study of [18] has social sustainability certification. The implementation of SA8000 has been investigated by the researchers but not the antecedents. It was found that the informational asymmetry is reduced, and trust increases with its implementation. The reason for certification is to reflect the organizational commitment towards the sustainability issues. Moreover, it was found that sustainable management systems are adopted by companies because of specific commitment and cultural orientation. It has been hypothesized that:

**Hypothesis 1:** Sustainability orientation (SSO) has significant impact on the basic social sustainable SC practices

### 2.3 Advanced practices and SUSCL

The sustainable development of new products/processes has been linked with SUSCL by the sustainable SC theory. From the perspective of theory building, it was found by Govindan, Soleimani [1] that the standard companies posses a SUSCL. This results in triple bottom line view, in which social, environmental and economic aspects are included in the decision-making process of an organization. It is extended across the SC as well. The researchers found that principles are given by SSO at individual and strategic level. The actions related to sustainable product development are also included [1].

Empirical testing of this finding is still to be done. In the business model, SC strategy is the redefinition is an
alteration of the firm, which is result of a committed firm. A committed firm has its key focus on sustainability, which is revealed in its efforts [2].

It has been found by the study that by focusing on eco-centricity, the SC strategy is changed. When a company has SUSCL, the firm is referred as an integral part of community and work for its benefit [1]. It was found by another study that companies with high commitment focus on the social issues and adopt social innovations, which explore new opportunities and enhance the performance [8]. Partnerships with non-traditions members of SC are included in partnerships. In this way, healthcare and education is provided to the local community protecting the interests of community. Firms with SSO work on changing their supply chain, products, and industrial ecosystems [2]. Fundamental re-orientation of SC business model to social sustainable actions is derived by a SUSCL linked with a propensity. However, a low social culture of sustainability results in a conservative and incremental level of activities including social sustainability within the supply chain. Considering this, the following research hypothesis has been developed:

**Hypothesis 2: SSO has significant impact on the advance social sustainable SC practices**

3. **EO**

For implementation of practices for sustainability and SC management, the culture of a firm is crucial [19]. When a firm possess a strong culture of sustainability, it gets involves in social sustainable practices within the SC and develop close relations with the SC partners. Moreover, firms explore new opportunities in supply and reconfigure them to avail such opportunities. Environmental can be influenced by proactive managers through social interaction. New opportunities are pursued, risks are taken, and innovation is done. These are the key strengths of a firm [20]. The willingness of a firm and readiness to in adoption of sustainable practices of SC is contributed by EO. A valuable foundation is provided by SUSCL for all practices, when it is used in combination with the EO. Other members of SC are influenced by firms and new products are developed with redefinition of strategy related to social issues. The conjoint influence of EO and sustainability is examined by previous explanation of social sustainable practices in supply chain. Approach of managerial strategy choice has a proxy measure that is EO. It is typically considered as a multi-dimensional construct, which is used for defining the perception of firms for new ventures. A lasting direction of thinking is transformed into the disposition of firm level to act in specific predetermined manner of entrepreneurship represents EO [21]. Strategy making is viewed as a way of styles and actions of decision making, which can be generalized across firms [20].

A range of components and dimensions have been captured by EO such as risk taking, pro-activeness, aggressiveness to compete and tending for autonomous and independent actions [21, 22]. The decision-making style is influenced through these dimensions along with the organization of practices for members of firm to work together and improve the performance and EO of firm. This creates an influence on the firm’s overall strategic posture.

**Hypothesis 3: EO has significant impact on the basic social sustainable SC practices.**

**Hypothesis 4: EO has significant impact on the advance social sustainable SC practices**

Entrepreneurial behavior is exhibited by a firm having a high entrepreneurial logic [21]. The relation between sustainability practices and culture is moderated through strong EO. The sustainability practices are implemented by making changes in the SC through market innovation in product development. Firm takes risks and adopts proactive innovative behavior [22]. In line with this argument, it has been proposed that the influence of SUSCL is moderated through EO. A firm with high EO is likely to take risks and adopt socially sustainable practices. An important insight is provided by focusing on the EO into the choices and preferences of decision makers.

It has been argued that for basic social sustainability practices within the SC practices, a dynamic capability is the ability of supplier’s risk assessment [16]. Entrepreneurial firm gains capabilities for achieving competitive advantage. It has been concluded by Xu, Cui [23] that these abilities become a source of competitive advantage for the firm. When a customer has EO and SUSCL, it innovates and become proactive. The manager in SC will make decisions by considering the social practices within the supply chain. In this way, the following research hypothesis has been developed:

A study conducted by Vanalle, Ganga [15] in the literature on social sustainability analyzed the influence of purchasing strategic orientation on the use of sustainable cooperation of suppliers and practices, which are socially sustainable. It was found by the study that sustainable cooperation of suppliers is positive influenced through supply management orientation and strategic purchasing.

It directs that this may be same at the level of firm. The researchers posited that when the demands of end customers are considered at the strategic level, the firm is likely to implement practices, which are sustainable [16]. Moreover, it was stated by Govindan, Soleimani [1] and MORAIS and Silvestre [8] that the companies having standard sustainable SC explore new market opportunities through changes in their product, processes, and SC redefinition. When an organization is sustainable socially, the managers take risk and adopt innovative strategies, which result in the adoption of advance practices.
Considering this, the following hypothesis has been developed:

Hypothesis 5: EO mediates the relationship between SSO and the basic social sustainable SC practices.

Hypothesis 4: EO mediates the relationship between SSO and the advance social sustainable SC practices.

4. Methodology

The study has employed the survey-based method. To achieve the objective of the current study we have employed the PLS-SEM. The PLS-SEM, according to, the PLS-SEM is second generation is structural equation modelling, which not only new but also a robust as it integrates all the model into a structure of the equation and produces results with a simultaneous operation by producing a relationship with all direct and intervening phenomena. According to Hair, Sarstedt [24] and Hair, Hult [25] PLS-SEM is one of the robust and most reliable statistical technique. Therefore, this study adopted PLS SEM to analyses the data. The measure is taken from the prior studies. The response rate of the current study is 58 percent.

5. Analysis

The measurement model is shown in the figure 2

The reliability of these underlying factors is checked using Cronbach’s alpha test. The values for Cronbach alpha came out as 0.87, 0.94, 0.83, 0.88, and 0.86 for each group respectively. The performance factors are named as positive economic efficiency, negative economic efficiency, and environmental performance. The inherent variation explained by these factors is turned out to be 76.5 percent, while the values of Cronbach alpha for these three factors came out to be 0.90, 0.87, and 0.94. In a same manner, inherent value that is explained by three moderating factors turned out to be 80.2 percent having 0.79, 0.70, and 0.77 values of Cronbach alpha respectively. Cronbach alpha values for all the factors are above 0.70 threshold value, which confirms validity and internal consistency of variables.

Table 2. Reliability

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>CR</th>
<th>(AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSP</td>
<td>0.942</td>
<td>0.947</td>
<td>0.956</td>
</tr>
<tr>
<td>BSSP</td>
<td>0.911</td>
<td>0.917</td>
<td>0.934</td>
</tr>
<tr>
<td>EO</td>
<td>0.956</td>
<td>0.957</td>
<td>0.934</td>
</tr>
<tr>
<td>SSO</td>
<td>0.955</td>
<td>0.956</td>
<td>0.963</td>
</tr>
</tbody>
</table>

The measure of discriminant validity measures the interrelationship among reflective variables, along with its indicators. Principally, it exhibits or estimate operationalization of the set of variables that are somehow linked or not linked with the case study. A powerful and widely employed measure that was introduced by Tzempelikos and Gounaris [26] is the discriminate validity measure. Therefore, the present study is utilizing this as base value for the evaluation of discriminate validity. Value of reliability index must be higher than 0.70. therefore, the cross-loading values were same as the outer loadings. Although cross loadings compare the existence of correlation between the constructs. Hence, the present study assessed the discriminate validity following the criteria of cross loadings and Fornell-Larcker. As explained earlier, that after analyzing reliability as well as validity of instruments, assessing the structured relation among the variables would be the next step.
Assessing the collinearity issue is the first step while analyzing the structural model. Collinearity is the degree of high correlation among the two model indicators. Table 4 shows that result of collinearity test is indicating that all variables have satisfied the threshold level i.e. tolerance level came out as greater than 0.20, and the value for VIF <5, thus confirmed the absence of multicollinearity in the model. The VIF value falls within 0.243-0.439, and tolerance level lies within 2.278-4.122.

Table 3. Validity matrix

<table>
<thead>
<tr>
<th></th>
<th>ASSP</th>
<th>BSSP</th>
<th>EO</th>
<th>SSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSP</td>
<td>0.901</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSSP</td>
<td>0.811</td>
<td>0.860</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td>0.732</td>
<td>0.794</td>
<td>0.875</td>
<td></td>
</tr>
<tr>
<td>SSO</td>
<td>0.793</td>
<td>0.792</td>
<td>0.834</td>
<td>0.888</td>
</tr>
</tbody>
</table>

With the establishment of a measurement model, the next step is to estimate the structural model for developing an overall relation with a model. Moreover, in a recent study, Henseler, Hubona [27] stated that model validation can be sufficiently assessed through the goodness-of-fit criteria. For instance, while employing PLS path models having reproduced data, it has been argued that goodness-of-fit criteria is unsuitable, as it fails to distinguish among the invalid and valid models [24]. With respect to recent development, a two-step procedure has been adopted by authors for estimating and reporting the PLS-SEM path results, following [27]. Furthermore, the structural model is assessed for the study. Furthermore, a bootstrapping procedure is applied having 5000 bootstrap samples, in order to examine the significant role played by the path coefficients [25, 27].

Table 4. VIF

<table>
<thead>
<tr>
<th></th>
<th>ASSP1</th>
<th>ASSP2</th>
<th>ASSP4</th>
<th>ASSP5</th>
<th>ASSP6</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSSP1</td>
<td>3.144</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSSP3</td>
<td>2.816</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSSP4</td>
<td>3.343</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSSP5</td>
<td>4.214</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSSP6</td>
<td>4.990</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO1</td>
<td>1.545</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO2</td>
<td>2.966</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO3</td>
<td>3.114</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO4</td>
<td>4.930</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO5</td>
<td>3.484</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO6</td>
<td>2.566</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO7</td>
<td>3.584</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO8</td>
<td>3.958</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSO2</td>
<td>3.776</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSO3</td>
<td>4.023</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSO4</td>
<td>3.599</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSO5</td>
<td>4.900</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSO6</td>
<td>3.383</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSO7</td>
<td>3.354</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSO1</td>
<td>3.708</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Under multivariate analysis, the coefficient of determination shows that the predictor variables explain the endogenous variable. Thus, the magnitude of R²
explains the predictive power of explaining endogenous variable in the model. Furthermore, the sample was reapplied in order to declare the models’ predictive validity. Partial Least Square technique is used as it is an appropriate and very well software for reusing the sample technique [28].

Table 7. R-Square

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSP</td>
<td>0.537</td>
</tr>
<tr>
<td>BSSP</td>
<td>0.650</td>
</tr>
<tr>
<td>EO</td>
<td>0.872</td>
</tr>
</tbody>
</table>

There is need for the research to apply the measures that reflect the analytical significance for quality evaluation of the model during the use PLS-SEM as per the recommendation of Hair, Hult [25]. the test of Stone-Geisser has been used for the blindfolding procedure. This test has been used in this study for testing the goodness of fit in PLS method [29].

Figure 4. Q-square

Blindfolding procedure is the only estimate of the dependent latent variables having a model with multi dimensions [30].

Table 8. Q-Square

<table>
<thead>
<tr>
<th></th>
<th>SSO</th>
<th>SSE</th>
<th>Q² (=1-SSE/SSO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSP</td>
<td>1,085.000</td>
<td>642.611</td>
<td>0.408</td>
</tr>
<tr>
<td>BSSP</td>
<td>1,085.000</td>
<td>620.675</td>
<td>0.428</td>
</tr>
<tr>
<td>EO</td>
<td>1,736.000</td>
<td>645.205</td>
<td>0.628</td>
</tr>
</tbody>
</table>

6. Discussion and conclusion

The focus of most of the existing literature on sustainable supply chains is based on the topic of ENVS. This study contributes to the literature on SSCM through analyzing the influence of EO and culture on the implementation of social sustainable practices in supply chain. The previous research studies have focused on the external and structural forces or the purchasing function [2, 15, 16]. However, this study has analyzed the decision-making orientation and internal culture of a firm and the combined influence on the selection of social sustainable practices in supply chain. It has been revealed through results that advance and basic social sustainable practices across the SC is positively linked with the level of SUSCL of a firm. A strong positive association is shown between the SUSCL of a firm and implementation of both types of social sustainable practices in supply chain.

Companies involve themselves in social sustainable practices when they have mind-set for social SUSCL. This is beneficial for the people within and across the SC[5]. It is not concerned whether a company monitors its SC and explores new markets or develops a sustainable culture to implement both sets of practices. The findings are in line with the work of Govindan, Soleimani [1], who proposed that the adoption of social and environmental practices is results through a SUSCL. The results are considered with the findings of literature on ENVS of SC[12]. This research is first of its kind, which reveals that a similar influence is created by SUSCL irrespective of difference activities of sustainability.

The relation between the adoption of sustainable practices and SUSCL is variable effected by EO. There is no considerable affect EO on the basic practices and SUSCL. This contradicts with the hypothesis that the relation between basic practices of social sustainability in the SC and SUSCL is influenced through EO. It was found by Ciesielski, Stern [16] that when the sustainability processes and supplier’s compliance is understood by customers, resource-picking capabilities are developed. The company takes such actions in response to the pressure of stakeholders. In this way, the capabilities change from monitoring to dynamic resulting in competitive advantage. The practices of basic and advance are different as the reputation of a firm is based on compliance and monitoring. An entrepreneurial firm adopts practices, which result in new markets and radical innovation [1, 8]. However, entrepreneurial firms do not get enough advantages through monitoring capabilities.

It has been hypothesized that there is moderating influence of EO on advanced practices and SUSCL. The high order practices of sustainability are positively influenced through EO considering the SUSCL. The higher order practices include the practices, which require big changes in behavior and are more than basic monitoring or just incremental. When a firm and a proactive approach towards innovation and engages in different strategic choice, this reflects high EO. Pro-active measures and risks are taken by innovative executives and strategies with big influence on the market are adopted. It is true when business definition is re-developed by the executives for staying higher than the rivals [2]. The company adapt to a different market by changing its
processes and products, which reflects a high level of risk in the process of decision-making.

In order to achieve sustainable competitive advantage, social SC practices are considered as crucial elements [5]. The cost of health care, absenteeism, replacement costs, and training costs can be reduced through key focus on the people working within the firm and across the SC[5]. Positive outcomes are provided by companies for people working within and across the SC for receiving economic benefit but there is limited research on this aspect. Moreover, there is lack of translation between practical implementation and academic findings [4]. The current research contributes to the existing literature through giving evidence of strategic choice and cultural attributes possessed by a firm. Moreover, it reflects that basic social practices in the SC are the result of SUSCL. The impact of SUSCL on the implementation of advanced social practices in SC is influenced through EO.

References

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