

The Impacts of Supply Chain Transparency, Information Processing Capability and Sustainable Supply Chain Collaboration on Environmental Performance

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Abstract

This study examines the effect of supply chain transparency and information processing capability on environmental performance that is achieved through sustainable supply chain collaboration, using the Organizational Information Theory (OIT) and the Coordination Theory (CT). The study is cross sectional and quantitative, where data was collected using a structured questionnaire. A purposive sample of 117 organizations with certification or licenses relevant to environmentally friendly practices such as ISO 14000 and the environmental protection license were selected for the survey. Structural Equation Modeling with SmartPLS was used to analyse the data. The results reveal that there is a significant impact of sustainable supply chain collaboration on supply chain transparency, while supply chain transparency significantly impacted on environmental performance. It is further revealed that sustainable supply chain collaboration impacts on environmental performance only when there is transparency in the supply chain. Thus, this study makes a major theoretical contribution to the OIT by highlighting the importance of generating transparent information for the enhanced environmental performance of sustainable supply chain collaborations.

Keywords: Sustainable supply chain collaboration, Environmental performance, Supply chain transparency, Information processing capability

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