

**UNIVERSITI TEKNOLOGI MARA**

**THE RELATIONSHIP BETWEEN  
GREEN SUPPLY CHAIN  
MANAGEMENT PRACTICES AND  
MANUFACTURING FIRM'S  
PERFORMANCE: A MEDIATING  
EFFECTS OF GREEN  
PARTNERSHIP**

**ATIKAH BINTI SHAMSUL BAHRIN**

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## ABSTRACT

The purpose of this study is to determine the relationship between green supply chain management practices, green partnership and the manufacturing firm's performances in Malaysia. The research design for this study employ quantitative method of random sampling and survey questionnaires that have been developed based on detailed analysis of relevant literature. A total of 1,000 questionnaires were mailed out to manufacturing firms that are registered in the FMM Directory of Malaysian Industry. Furthermore, the study sample is focused on the manufacturing sector with respondent from the managerial level and above. A total of 7 variables of supply chain on green practice and partnership towards manufacturing performance with 22 items have been developed; green purchasing, supply selection and evaluation, investment recovery, eco-design and packaging, reverse logistic, cooperation with customers, and green partnership. In addition, the result of this research presents a good and better recommendation of overcoming the problem of green environment in supply chain for manufactures who consider implementing the green practice in their supply chain. Also, the research will give a clear outcome for improvement to firms that have already implement but looking in advancing their firm's performance. Manufacturing companies in Malaysia need to understand and realize that green supply chain management practice can bring major benefit towards company's performance and at the same time make own manufacturing company as industrial paradigm of the ideal manufacturing sector. The study successfully manages to obtain 25% of valid responses from the Malaysian manufacturing industry which shows that there is an encouraging level of implementation in green supply chain management practices among the manufacturing firms, with influence of green partnership as mediator to increase the manufacturing firm's performance in a single setting. Moreover, each role of the practice is important in convincing companies to adopt green practices in their supply chain management flow. The results also revealed that green practices within the supply chain significantly affected manufacturing performance directly and indirectly depends on the existence of mediating role of green partnership.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Introduction

This opening chapter seeks to bring to the light on the subject and the purpose of this thesis. In specific, this chapter contains the background of study where it will explain why researcher chooses green supply chain management, why selecting the manufacturing sector as the study area, and why conducting the study in Malaysia. It will also explain issue that occurs in the problem statement. With the problem identified, it will help build the research questions and objectives on what and how to conduct this study. Next, there will be evidence from previous research to elucidate this study in the justification of current research. This study will also educate future researcher and readers on the study's contribution in terms of theoretical and managerial contributions. Furthermore, it enlightens on what are the barriers and limitations of conducting this study. Lastly, this chapter will present the organization of thesis.

### 1.2 Background of Study

As manufacturing has globalized and competition has intensified over the last decade, increasing the firm performance using green initiative in the supply chain management has received greater attention by practicing managers and academic researchers alike (Mukherjee, A. & Muga, 2010; Sarkis, Gonzalez-Torre, & Adenso-Diaz, 2010; Yang, 2013). The term supply chain according to the Association for Operations Management (APICS) describes that it's a process from the initial raw materials to the ultimate consumption of the finished product linking across supplier-user companies. Therefore, it is essential to understand the basic configuration of supply chain in a manufacturing context before proceeding to any form of decisive analysis. Also, it is important to note that from the focal firm's perspective, the supply chain is consisting of internal function, upstream suppliers and downstream customers (Ibrahim, Zolait, & Sundram, 2010).

Nowadays, there is a challenge to reduce sources of waste product and pollution throughout the entire supply chain. It is where many firms have begun to adopt an