

**THE IMPACT OF SUSTAINABLE PROCUREMENT PRACTICES
ON ORGANIZATIONAL PERFORMANCE: A COMPARATIVE
STUDY OF TEXTILE INDUSTRY IN SRI LANKA**

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MBA in Transport and Logistics Management

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Thesis/Dissertation submitted in partial fulfillment of the requirements for the degree.

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DECLARATION

I declare that this is my own work, and this thesis/dissertation does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any other University or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text. I retain the right to use this content in whole or part in future works (such as articles or books).

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Date: 22/09/2023

The above candidate has carried out research for the master's thesis/dissertation under my supervision. I confirm that the declaration made above by the student is true and correct.

Name of Supervisor: Dr. Amila Tibbotuwawa

Signature of the Supervisor:

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Date: 22/09/2023

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ABSTRACT

The research is mentioned topic as “The Impact of Sustainable Procurement Practices (SPP) on Organizational Performance: A Comparative Study of Textile Industry Sri Lanka”. The research is examined on the relative objectives as well as the application on the research problem through specific outcomes.

An online survey was conducted and distributed the Likert scale questionnaire for the workers who are engaged in the procurement practices in textile industry. The purpose of this research was to investigate the connection between procurement procedures and the levels of organizational performance shown by 67 employees who work in different textile businesses located in the Sri Lanka. To gather information on ecological, social, and economic procurement practices, as well as organizational performance, the research used a survey questionnaire. Exploring the associations between the variables was accomplished using descriptive statistics and correlation analysis (Pearson correlation), whilst the examination of the effect of procurement practices on organizational performance was accomplished via the use of multiple regression analysis. The findings revealed a beneficial and statistically significant connection between every procurement practice and the overall performance of the organization. In addition, the research discovered that practices relating to economical procurement had the most significant impact on organizational performance.

This contributes to the body of research by presenting empirical data on the significance of implementing sustainable business practices into procurement and the influence that this has on the performance of organizations. According to the results of the study, the researchers suggest that businesses should implement more environmentally responsible purchasing policies to improve their overall organizational effectiveness. Additionally, the study indicates that further research should investigate the processes by which procurement practices impact organizational performance as well as the ways in which various stakeholders, such as consumers and suppliers, influence the adoption of sustainability practices in procurement. Therefore, suggest potential avenues for future studies, such as investigating the mechanisms through which environmentally responsible purchasing policies influence performance outcomes.

This involves reflecting on environmental impact, social responsibility, ethical sourcing, and long-term sustainability when making purchasing decisions. The objective is to promote environmentally sustainable and socially responsible business practices across the entire supply chain. In recent years, considerable focus has been placed on the impact of SPP. Many studies have highlighted that applying SPP can have numerical positive effects on organizations.

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List of Abbreviations

Abbreviation	Description
SC	Supply Chain
ROI	Return on Investment
GSCM	Green Supply Chain Management
SPP	Sustainable Procurement Practices
UNDP	United Nations' Development Program
SCM	Supply Chain Management
GSCMP	Green Supply Chain Management Practices
IR	Investment Recovery
RDT	Resource Dependency Theory
TBL	Triple Bottom Line
CSR	Corporate Social Responsibility
SDG	Sustainable Development Goals
HVAC	Heating Ventilation and Airconditioning
LCA	Life Cycle Assessment
TCO	Total Cost of Ownership

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