Impact of Corporate Sustainability and Supply Chain Partnership towards Firm Performance: Empirical Evidence from Ghana’s Manufacturing Sector

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Abstract Corporate sustainability practices are acknowledged as the bedrock for the continuity of an entity and success in the era of the green revolution. This is evident from numerous interventions and policies to encourage firms to operate responsibly to mitigate the negative effect of their operational activities. However, achieving corporate sustainability goals and benchmark requires collaboration and interaction with relevant stakeholders, especially external stakeholders such as suppliers. Therefore, the purpose of the research is to look into the effects of corporate sustainability and supply chain partners on the performance of firms in the manufacturing sector of Ghana. Drawing lessons from the social capital network theory, the study examined three (3) hypotheses using data collected from firms in Ghana’s manufacturing sector. Data acquired is analyzed using PLS-SEM techniques. The outcome of the analysis indicates that corporate sustainability influences the supplier selection and partnership process significantly. Findings further indicate that supply chain partnership has a clear and compelling impact on the performance of organizations in the manufacturing landscape. However, corporate sustainability is found to have less impact on the organizational performance of firms.

Keywords: corporate sustainability, supply chain partnership, firm performance, PLS-SEM, social capital

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1. Introduction

Corporate sustainability practices are acknowledged as the bedrock for the continuity of an entity and success in the era of the green revolution. Ultimately, firms in recent times have adopted sustainability strategies to obtain a competing edge. Assessing the Global reporting initiative reports reveals firms have accepted and integrated sustainability practices in their organizational strategy and activities. Global Reporting Initiative (GRI) has long contended that disclosure offers reporting companies a wide spectrum of intangible benefits, such as employee loyalty and consumer reputation. The quest for sustainability has encouraged firms to formulate and implement deliberate measures and strategies to boost the environmental, economic, and social dimensions of corporate sustainability.

Though corporate sustainability contributes to enhancing a firm’s competitive advantage and innovation capabilities, the outcome of studies in this domain has provided mixed outcomes. Some studies argue there is a clear liaison betwixt some dimensions of corporate sustainability and firm performance. Others report negative impact and the remainder neutral. Economic gains by far serve as the underlying factor for corporate sustainability practices [1,2]. The rationale for this outcome can be attributed to less attention placed on the role of external agents in the organizational setting. Since organizations rely on other entities in the institutional setting to achieve their strategic goals and objectives, it is prudent to ascertain how external factors influence the association between corporate sustainability and firm performance. One critical factor in an organizational network is the capability and competence of network members. To achieve a high degree of success network members should possess requisite skills and competence. However, the role of network members or actors is partially or unattended to in the literature. Also, the study examines the role of supply chain partnerships on firm performance. The liaison betwixt corporate sustainability and supply chain partnership is further elucidated. The study conceptualizes that corporate sustainability and supply chain partnership would impact the performance of firms, especially in the manufacturing sector of the economy. Furthermore, the study examines how corporate sustainability practices influence partner selection in the supply chain network. The remainder of the research is arranged as follows,
section 2 presents a literature review of the study, theoretical foundation, and hypotheses, section 3 focuses on the methodology of the study, section 4 presents the outcome of empirical analysis and discussion, section 5 provides insights into conclusion and further research.

2. Literature Review

2.1. Corporate Sustainability

Corporate sustainability is defined as a business approach to create both short-term and long-term stakeholder value by grasping risk and identifying and managing risk evolving from the economic, environmental, and social landscape of a business. Firms are supposed to maximize shareholder and stakeholder value by harnessing opportunities in the marketplace by offering sustainable value propositions [3]. The underlying principle of sustainability honed is to ensure an organizational activity does not compromise the societal and environmental landscape of firms. However, there is no agreement on what constitutes corporate sustainability – diverse authors have proposed several definitions of corporate sustainability honed. The earlier denotation of corporate sustainability practices turns to focus on environmental issues. As postulated by [4] corporate sustainability is an organizational goal that meets present organizational needs without jeopardizing future generations’ capacity. Besides [5] advanced the argument to include the triple bottom line theory. In the study, [5] suggested organizations adopt corporate sustainability practices as an intermediary stage to balance the triple bottom line. Inference from these approaches indicates significant emphasis is placed on the ecological scope as opposed to societal and economic dimensions of sustainability.

Corporate sustainability is considered as continuous and transitional progress in which a firm simultaneously seeks to deliver fiscal, societal, and ecological value to both inside and outside stakeholders [6,7]. Following the definition, corporate sustainability requires firms to deliberately institute a mechanism that is geared towards addressing emerging environmental and societal challenges. Corporate sustainability as a concept is rooted in the premise that sustainable development activities would be engrained in the core values and high-level business strategy of an organization. Systematic integration of tri-dimension of the corporation in a business core strategy might impact it positively [8,9].

3. Theory

3.1. Network Social Capital

The case for corporate sustainability practices has been made often and well, but lamentably with limited impact. The unsatisfactory stage of this process can be attributed to the lack of a deliberate collective approach to instill a culture of irresponsibleness in procurement and sourcing culture. Sustainability policy in this domain serves as a guideline to encourage the sourcing and manufacturing of a product that encompasses the social, economic, and environmental elements of the Triple bottom line [10]. Also, the absence of knowledge sharing and communication results in information gaps, and this harmed the outcome of sustainability practices [11]. Addressing the issue of low information sharing whiles ensuring every actor with the procurement value chain or network meets the standards and expectations of sustainability guidelines requires a holistic approach. This approach would consider the procurement network as a complex adaptive system with multiple moving parts that requires inter-relation and dependencies to perform efficiently [12]. Treating the supply chain exercises as a network-related process enables actors to address the issue of the information gap through the establishment of bridges and ties. As advocated by [14] the strength of ties plays an essential role in the attainment of network goals. Information and knowledge exchanges between a member of such an alliance or network ensure mutual utilization of resources [16].

3.2. Hypotheses Development

3.2.1. Corporate Sustainability and Supply Chain Partnership

Corporate sustainability is rooted in the principle that firms need to deal with short-term gain whiles mitigate its negative environmental effects on the business landscape. Since corporate sustainability is considered to be a panacea for firm sustainable development, it requires the involvement and commitment of several firms in the business domain especially in a VUCA landscape [18,20]. Achieving a high degree of corporate sustainability requires the firm to cooperate with diverse actors in the business domain. Firms in most cases do not possess all the requisite resources and human capital to sustain their internal sustainability agenda. Therefore, to boost internal capabilities by building a company-company alliance with a partner it is easy to have access to complementary resources. Having access to complementary reserves in the business domain plays a key role in enriching the innovation capabilities and competencies.

Sustainable practices and advancement can be accomplished by adopting open innovation practices [22,23]. The success and survival of the sustainability network rest on the performance of network members [14,24]. Therefore, partner selection in the formation of an alliance is considered a critical issue. Partner selection is crucial to achieving network goals and objectives [25]. Several factors such as information and knowledge intensity of actors; technological and innovation capabilities; and market competitiveness serves as underlying factors for the identification and selection of partner for sustainability network [26].

Partnering with firms that have a competing edge in conducting business sustainability practices provides the focal firm the leverage to achieve its corporate sustainability strategy [27]. The success of any firm depends greatly on effective interaction between focal firm and supply chain actors, and the same applies in the case of corporate sustainability honed [28]. Sustainable supply chain networks perform a vital role in the redesign and reconfiguration of organization systems and processes to have a sustainable dimension [29,30].
Being a socially responsible firm requires firms to alter their product and service innovation process to a more sustainable one through ethical sourcing [31].

The study conceptualizes that the corporate sustainability hones of the firm serve as a thrust in the choice of supply chain partners. Based on the theory elaborated hypothesis 1 is stated:

**H1:** There is a clear liaison betwixt corporate sustainability hones and supply chain partnership

### 3.2.2. Corporate Sustainability and Firm Performance

In recent times a significant number of studies have been dedicated to exploring the liaison betwixt corporate sustainability and the firm’s performance. However, there is a mixed reaction towards the link betwixt corporate sustainability and firm performance. Some studies argue that there is a clear link between corporate sustainability and firm performance [2]; other studies either report a negative relationship or neutral [32]. The rationale for these discrepancies is rooted in the premise that these studies were conducted in different geographical location that has a diverse and dynamic business environment. Therefore, there is the need to conduct further studies to ascertain the relation betwixt corporate sustainability and company performance.

The study attempts to conceptualize that there is a clear liaison betwixt corporate sustainability hones and firm performance. The outcome would contribute to the increasing body of knowledge on the association between corporate sustainability and firm performance. As elaborated by [33] in their study to unearth the link amidst corporate sustainability hones such as sustainability reporting and assessment on the performance of firms in countries such as Japan, South Korea, Indonesia, and India. Using panel data and panel regression techniques the study found that the level of corporate sustainability exposure and assessment has a positive association with the performance of firms. [34] investigate the understated phenomenon in the Indian context. The end result of the study reveals that there is a clear relation betwixt corporate-level sustainability practices and the financial performance of businesses. Inferences from this study imply businesses that practice remarkable sustainability development strategies turns to report higher economic gains as compared to their counterparts. To buttress the implication of corporate sustainability on the performance of firms, [35] contributed to the knowledge in this domain by using institutional theory as a lens for the study. Using resource-based view and stakeholder theory as an underlying theory, the study utilized the Dow Jones sustainability index found that investor in most cases penalizes large profit-making companies that have a low corporate sustainable score.

The sustainability hones of an institution shape the organizational culture of an organization thereby resulting in a deliberate shift in activities of organizations. Having in place a sustainable-oriented culture shapes the direction of a firm’s strategy and further boosts the corporate sustainability reputation [36]. By adapting organizational culture and strategy firms can enhance their firm value. A clear liaison betwixt corporate sustainability hones and firm performance is achieved through a conscious effort by the firm to comply with the social and environmental dimensions of sustainability. Hypothesis 2 attempts to unearth the liaison betwixt corporate sustainability and firm performance as positive.

**H2:** There is a clear liaison betwixt corporate sustainability and firm performance.

### 3.2.3. Supply Chain Partnership and Firm Performance

Ultimately, studies in supply chain management have ascertained the relevance of supply chain partnership in achieving supply chain network goals and objectives. Supply chain partnership provides the leverage for firms to gain access to external slack resources, information, and knowledge necessary to augment the innovation capabilities and performance of the focal firm. Supply chain partnerships elucidate on the elicit benefits such as asymmetrical with top-level management support, and information and knowledge sharing and diffusion [37]. The performance of the supply chain further impacts the performance of firms. [38] argues that the link amidst supply chain partners enhance channel relationship and consequently impact on the market performance of firms. Drawing lessons from the firm’s resource-based perspective, the study conceptualizes that supply chain partnerships enrich the channel and relationship management between supply chain network members. The outcome of their study reveals there is an affirmative liaison betwixt partnership in the supply chain and supply chain success and consequently firm performance. However, the weight of supply chain partnership on the non-financial performance of the firm is not ascertained.

Based on the collaborative advantage principle, [39] investigated the impact of supplier collaboration on firm performance using data on U.S manufacturing firms. Adopting a structural equation approach the study outcome revealed there is an affirmative liaison betwixt supply chain partnership and firm performance in the manufacturing sector. Using a survey of 423 respondents, [40] argued there is a partial relationship between supply partnership and firm performance through collaborative performance. The competitiveness of firms is improved through collaboration with relevant firms. The collaborative performance of a firm enriches the relational asset of the firm.

A well-integrated supply chain network affects the performance of firms and is highlighted by the outcome of studies conducted by [41,42], investigated the association betwixt supply chain partnership and firm performance. From their study that utilizes data from the retail industry of the Indian economy, the study reveals there is an affirmative link betwixt partnership in the supply chain and firm performance. Supply chain partnership enables firms to gain access to untapped social capital and slack resources that are used to augment the internal processes of the focal firm. Gaining the attention of firms in the value chain of focal firm industries enables the firm to gain access to services and information at a low search cost. Therefore, the study conceptualizes that supply chain partnerships would impact the performance of firms positively through supply chain integration mechanisms and systems.

**H3:** There is a clear liaison betwixt firm supply chain partnership and firm performance.
3.3. Research Methodology

3.3.1. Method and Data

The theoretical relationship between the constructs of the study is addressed using quantitative techniques. The survey approach is utilized to solicit information and data from key informants within the manufacturing ecosystem [43]. These identified individuals include Sustainability Officers, Environmental and Compliance Officers, Procurement, Purchasing and Supply Officials, and other relevant management personnel in the selected organization.

Adopting a survey approach is appropriate and widely accepted and utilized in the management and sustainability literature. Studies such as [44] were conducted to unearth organizations’ corporate sustainability homes and their effect on firm performance in diverse geographical jurisdictions. To ensure the robustness of results, several measures were adopted to deal with shortcomings of this method, most significantly the issue of common method bias.

3.3.2. Measurement Instrument Development

Collecting information from actors in the manufacturing landscape would provide insights into the effect of the activities of one critical phase of the business environment or economy. Following studies in the area of management and sustainability, the survey instrument adopted is the questionnaire [45]. The questionnaire attempts to gain information on respondents’ background information and further seeks responses agreement/disagreement to measurement items (statement). The questionnaire is made up of two (2) distinct parts. Also, questionnaire items are measured on 7-Likert-scales. Each construct is measured using not less than 2 items. To ensure content validity, measurement items are extracted from the available literature. Also, to ensure validity, scales about independent and dependent variables are included in different sections of the questionnaire, to allow control of common method bias [45]. Furthermore, Harman's [46] single-factor test is performed to ascertain the non-present of common method bias. The outcome suggests common method bias is not an issue with the questionnaire items.

In addition to experts from the targeted population, information is collected from academics – these individuals are experts and are researched extensively in the sustainability domain. The rationale for conducting a pretest is to ensure questionnaire items are accurate and readable with no ambiguities [45,46]. Preliminary statistics and Cronbach’s alpha value indicates the reliability of the test instrument is at an acceptable level.

3.3.3. Sample and Procedure

The sample is drawn from diverse firms in the manufacturing landscape of Ghana. An initial list of a firm is created from the Ghana Club 100 database and National Board for Small Scale Business – Ghana. Search through these databases revealed over two dozen organizations engaged in manufacturing or production activities. Their activities span through agro-processing, fabrication, and production of machine parts, electrical cables, and machinery manufacturing. A list of potential organizations is made purposively to guide the data collection process. Upon gaining permission, a purposive sampling approach is utilized to identify and collect data from key informants in selected organizations. A total of 120 individuals from 82 different firms are selected. A questionnaire is administered to these individuals, after a data collection period that lasts over a month. The survey achieved a 92 percent response rate translating into 110 answered questionnaires.

3.4. Measures

3.4.1. Dependent Variable

Organizational Performance: Organizational performance is considered as the dependent variable for this study – it mostly focuses on the non-financial performance of firms. Organizational performance is measured using 5-measurement
items. These items attempt to solicit information on firms' ability to achieve their set goals and target and how these achievements boost the competitive advantage of the firm. Also, organization performance measures the operational efficiency of firms. Measurement items for these variables are derived from studies conducted by [48].

### 3.4.2. Independent Variables

Corporate sustainability: Corporate sustainability is categorized into three (3) distinct categories such as economic, social, and environmental corporate sustainability. Measurement items for corporate sustainability are derived from studies conducted by [32].

Supply Chain Partnership: In these studies, the supply chain partner is measured based on the diverse dimension of corporate sustainability and how it influences the choice of supply chain network partners. Measurement items for supply partner selection and integration are selected from studies conducted by [49,50].

### 3.5. Control Variables

Previous studies have acknowledged the effect of firm size and firm age on the performance of an organization. These factors are considered as control variables to deal with the issue of omission variable bias. Control variables are selected from studies in the sustainability and management literature.

### 4. Analysis and Result

#### 4.1. Profile of Respondents

The study utilized data from 120 respondents, selected from diverse actors in the manufacturing landscape. Basic information gathered from these individuals revealed that each respondent on average serves its organization for seven (7) years. These individuals are considered knowledgeable about the information, trends, and changes in the manufacturing ecosystem. Aside from work experience, individuals surveyed had extensive education and there had no issues understanding the questionnaire and related items. It, therefore, helps to eliminate any form of inconsistency in answering the questionnaire, which may result in invalid findings. The profile of respondents is reported in Table 1 – it contains the gender of respondents, age, educational background, and job position.

#### 4.2. Descriptive Statistics

The distribution and characteristics of the data are presented in Table 2. Characteristics of data such as mean, standard deviation, kurtosis, and skewness. From the table, it can be seen that respondents on average agreed with the statement on the questionnaire. In furtherance examining the mean and skewness suggest the data had no issues of outliers, thereby requires no data transformation. The outcome indicates the data is normally distributed.

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**Table 1. Profile of Respondents**

| Gender         | Frequency |
|----------------|-----------|
| Male           | 78        |
| Female         | 42        |

| Respondents Age (in years) | Frequency |
|----------------------------|-----------|
| 18 – 25                    |           |
| 26 – 30                    | 38        |
| 31 – 35                    | 14        |
| 36 – 40                    | 28        |
| 41 – 45                    | 12        |
| 46 – 50                    | 19        |
| > 50                       | 9         |

| Educational Background    | Frequency |
|---------------------------|-----------|
| Doctorate Degree          | 14        |
| Master’s Degree           | 58        |
| Bachelor’s Degree         | 48        |
| High School Diploma       | -         |

| Job Position              | Frequency |
|----------------------------|-----------|
| Senior Management (e.g., Director of Procurement/Sustainability) | 18 |
| Middle-Level Management (e.g., head of Sustainability/production department) | 62 |
| Line Manager              | 44        |

| Work Experience (in years) | Frequency |
|---------------------------|-----------|
| < 5                       |           |
| 6 – 10                    | 38        |
| 11 – 15                   | 47        |
| 16 – 20                   | 12        |
| > 21                      | 11        |

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**Table 2. Descriptive Statistics**

| Mean   | Min   | Max   | Standard Deviation | Kurtosis | Skewness |
|--------|-------|-------|--------------------|----------|----------|
| CS1    | 5.14  | 7.00  | .725               | 2.231    | -.556    |
| CS2    | 4.96  | 7.00  | .730               | 1.428    | -.766    |
| CS3    | 4.75  | 7.00  | .681               | 1.753    | -.362    |
| CS4    | 4.38  | 7.00  | .797               | 2.940    | -.685    |
| CS5    | 4.28  | 7.00  | .612               | 1.689    | -.200    |
| CS7    | 4.16  | 7.00  | .853               | 2.310    | -.268    |
| CS8    | 4.24  | 7.00  | 1.050              | 2.218    | -.707    |
| CS9    | 4.43  | 7.00  | 0.948              | 1.934    | .170     |
| CS10   | 5.92  | 7.00  | .678               | 2.389    | -.445    |
| CS11   | 3.20  | 7.00  | .838               | 3.699    | -1.251   |
| CS12   | 5.86  | 7.00  | 1.052              | 3.636    | -.762    |
| CS13   | 4.10  | 7.00  | .844               | 2.795    | -.698    |
| SP1    | 5.46  | 7.00  | .847               | 3.304    | -.999    |
| SP2    | 5.58  | 7.00  | .774               | 2.243    | -.267    |
| SP3    | 3.68  | 7.00  | .658               | .449     | -.919    |
| SP4    | 3.76  | 7.00  | .948               | 3.023    | -1.383   |
| SP5    | 4.18  | 7.00  | 1.328              | 2.701    | -1.018   |
| SP6    | 4.34  | 7.00  | 1.010              | 2.911    | -1.284   |
| SP7    | 4.20  | 7.00  | .735               | 2.186    | -.912    |
| SP8    | 2.46  | 7.00  | 1.020              | 1.065    | .662     |
| SP9    | 3.60  | 7.00  | .912               | 2.231    | 1.390    |
| SP10   | 4.30  | 7.00  | .713               | 1.829    | .747     |
| OP1    | 4.02  | 7.00  | .814               | 3.871    | .147     |
| OP2    | 4.16  | 7.00  | .781               | 1.452    | -.866    |
| OP3    | 5.16  | 7.00  | .767               | 3.283    | -.479    |
| OP4    | 4.86  | 7.00  | 1.074              | 1.812    | -.608    |
| OP5    | 3.87  | 6.00  | .927               | 2.413    | .139     |
| OP6    | 4.03  | 6.00  | .895               | 1.577    | -.427    |

Note: CS – Corporate Sustainability; SP – Supply Chain Partnership; OP – Organizational Performance.
4.3. Measurement Model Assessment

The Cronbach’s alpha value and average variance extracted are utilized to assess the reliability and validity of data. The end result of the study indicates that all the constructs under study had a significant level of alpha value – indicating the data has a significant level of internal consistency. The validity of data is examined using the procedure proposed by [51]. Preceding the analysis of the structural model of the study, the dimension reduction strategy is performed. Data reduction is conducted using exploratory factor analysis techniques. The Kaiser – Meyer – Olkin (KMO) measure of adequacy and Bartlett’s test of Sphericity is performed to examine the robustness and reliability of the structural model. The empirical analysis reveals that the model obtained a Bartlett test of Sphericity (Approx.: Chi-square 543.213, df, 120, sig, .000) and a KMO value of 0.786. The outcome of the initial structural test provides the basis for performing exploratory factor analysis. In conducting the exploratory factor analysis, the principal component technique is utilized to extract the requisite variables/indicators. The varimax rotation approach is used. In summary, most of the indicators had acceptable levels of factor loading as positing by [52]. Table 3 presents the outcome of the factor analysis. Besides the outcome of the reliability test and average variance extracted test is reported.

![Table 3. Factor Loadings, Reliability and Validity Result](image)

| Corporate Sustainability | No of items | Loadings | Alpha | AVE  |
|--------------------------|-------------|----------|-------|------|
| CS1                      | 13          | 0.823    | 0.756 | 0.685|
| CS2                      |             | 0.572    |       |      |
| CS3                      |             | 0.636    |       |      |
| CS4                      |             | 0.728    |       |      |
| CS5                      |             | 0.521    |       |      |
| CS6                      |             | 0.889    |       |      |
| CS7                      |             | 0.705    |       |      |
| CS8                      |             | 0.034    |       |      |
| CS9                      |             | 0.730    |       |      |
| CS10                     |             | 0.868    |       |      |
| CS11                     |             | 0.113    |       |      |
| CS12                     |             | 0.897    |       |      |
| CS13                     |             | 0.613    |       |      |

| Supply Chain Partnership | No of items | Loadings | Alpha | AVE  |
|--------------------------|-------------|----------|-------|------|
| SP1                      | 10          | 0.230    | 0.880 | 0.818|
| SP2                      |             | 0.868    |       |      |
| SP3                      |             | 0.513    |       |      |
| SP4                      |             | 0.897    |       |      |
| SP5                      |             | 0.850    |       |      |
| SP6                      |             | 0.579    |       |      |
| SP7                      |             | 0.672    |       |      |
| SP8                      |             | 0.343    |       |      |
| SP9                      |             | 0.564    |       |      |
| SP10                     |             | 0.682    |       |      |

| Organizational Performance | No of items | Loadings | Alpha | AVE  |
|----------------------------|-------------|----------|-------|------|
| OP1                        |             | 0.551    |       |      |
| OP2                        | 5           | 0.653    | 0.656 | 0.748|
| OP3                        |             | 0.685    |       |      |
| OP4                        |             | 0.501    |       |      |
| OP5                        |             | 0.642    |       |      |
| OP6                        |             |          |       |      |

4.4. Correlation Test

The liaison betwixt corporate sustainability, supply chain partnership, and firm performance is examined by conducting correlation analysis. Since correlation does not equal causality, it still provides some viable insights into the interrelationship between variables. Besides the correlation outcome enables the researcher to identify if there is the presence of multicollinearity [54]. From the outcome of the study, it can be seen that although there exists a relationship between examined variables, their correlation coefficient is low. The correlation outcome indicates corporate sustainability and supply chain partners had a significant relationship with the firms’ performance. Thus, these factors have an impact on the non-financial performance of firms in the manufacturing sector. The correlation outcome is presented in Table 4.

![Table 4. Correlation Test](image)

| Variables                        | 1   | 2   | 3   | 4   | 5   |
|----------------------------------|-----|-----|-----|-----|-----|
| 1. Firm Age                      | -   |     |     |     |     |
| 2. Firm Size                     |     | .115** |     |     |     |
| 3. Corporate Sustainability     | .452* | .718** |     |     |     |
| 4. Supply Chain Partner          | .365* | .410* | .266** |     |     |
| 5. Firm Performance              | .458 | .387 | .428 | .504 |     |

*P < .10, * p < .05, ** p < .01, ***p < .001.

4.5. Regression Analysis – Partial Least Square Structural Equation Modeling

The influence of corporate sustainability and supply chain partnership extant on firm performance is examined using the partial least square structural modeling equation technique. These processes follow the approach posited by [52]. The outcome of this regression analysis is presented in Figure 2. The outcome indicates that the corporate sustainability hones of an institution affect the supply chain partnership. The sustainability practices of firms influence the choice of supply chain actors – a sustainable firm turns to a partner and integrates green-oriented suppliers into its organization’s supply chain. This point is buttressed by the regression coefficient and the R² value of 0.206 obtained. Furthermore, the conclusion of the study revealed that corporate sustainability practices have a less significant effect on the performance of firms as compared to supply chain partnerships. Although corporate sustainability is documented to influence the performance of a firm, the outcome of this study reveals an indifferent liaison betwixt corporate sustainability and firm performance. The rationale that can be attributed to the low effect of corporate sustainability is rooted in the limited time these mechanisms have been in practice in organizations, especially in developing ones.

As acknowledged in the supply chain literature supply chain partnership, collaboration, and integration influence focal firm performance. The focal firm can utilize the social and knowledge capital supply chain network actors offers – diffusion of knowledge and technology in this network provide focal firms with the necessary leverage to enrich their operational activities and efficiency. The firm’s performance is enriched with the acquisition of new resources and skills through these partnerships.
4.6. Hypotheses Testing

The stated hypotheses are tested by conducting a bootstrapping test following the partial least square modeling approach adopted. Hypotheses are judged using the t-statistics result. Also, the indirect link between corporate sustainability and supply chain partnership is elaborated. The outcome of the hypotheses test indicates out of the three (3) stated hypotheses only two (2) can be supported. The outcome indicates there is a clear and relevant link between corporate sustainability and supply chain partnership of focal firms. Besides the study revealed there is an affirmative and imperative liaison between supply chain partnership and firm performance. However, corporate sustainability does not have a relevant effect on firm performance.

| Hypotheses                              | T-Statistics | P-Value | Decision  |
|-----------------------------------------|--------------|---------|-----------|
| Corporate Sustainability → Firm Performance | 0.545       | 0.471   | Not Supported |
| Corporate Sustainability → Supply Chain Partner | 6.76        | 0.000   | Supported  |
| Supply Chain Partnership → Firm Performance | 14.82       | 0.000   | Supported  |

5. Summary

The theoretical relationship between the constructs of the study is addressed using quantitative techniques. The survey approach is utilized by the use of questionnaires to solicit information and data from key informants within the manufacturing ecosystem. Several researchers have used this same approach to make findings concerning the subject matter. However, the difference between this research and others is that our findings and statistics on this study contribute to existing knowledge in corporate sustainability by offering insights into the effect of corporate sustainability on the non-financial performance of firms in developing economies. Most literature and statistics dwell on corporate sustainability and its impact on the financial performance of firms.

6. Discussion

The study contributes to the increasing body of literature on the effect of corporate sustainability and firm performance. It further elucidates the influence of corporate sustainability on supply chain partnerships. Supply chain partnership is measured based on supply chain selection criteria, supplier integration, and collaboration processes and mechanism of an organization. Lastly, the impact of supply chain partnership on firm performance is examined. Using network social capital as a lens, the study collected firm-level data from diverse firms in the manufacturing sector. These firms were selected from the agro-processing sector, construction and concrete product manufacturing, electrical cables, and others. Initial reliability and validity are tested. To investigate the research questions and hypotheses stated for the study partial least square structural equation modeling techniques are employed. Although the outcome reveals to some degree corporate sustainability and supply chain partnership influence the performance of firms in the manufacturing sector, the study outcome supported two (2) out of the three (3) stated hypotheses.

However, the empirical evidence obtained suggests corporate sustainability does not have a relevant influence on the performance of firms. This outcome contradicts findings in the literature that indicate corporate sustainability practices had an impact on the performance of firms [2]. The disparities in the end result of the investigation and previous findings can be rooted in the measures adopted for the study. A greater percentage of previous studies seeks to probe into the liaison between corporate sustainability and firm performance using financial ratios and indicators as proxies for firm performance. However, in this study firm performance is measured as operational efficiency and performance of focal firms. Therefore, this study contributes to existing knowledge in corporate sustainability by offering insights into the effect of corporate sustainability on the non-financial performance of firms. The non-financial performance aspect of firm performance is critical because it enables the firm to examine if resource allocation and
utilization are done efficiently and prudently. The performance of supply chain partners has an impact on firm performance. Integrating suppliers into organization sustainability functional activities enable the firm to build and maintain both internal and external green portfolio and competitive advantage. An organization that possesses competitive resources and skills enjoys a significant degree of success in the business landscape. The conclusion of the examination support findings arrived in studies conducted by [55] that indicate supply chain partnership has an impact on the performance of focal firms. Moreover, interaction betwixt corporate sustainability hones and supply chain partnership provides an avenue for the organization to address its demand for slack resources. Slack resources have the potential to boost the innovation capabilities and performance of the firm. By selecting the right partner, firms can fulfill their sustainability obligations to their environment, employees, and society as a whole. Since the bedrock of output of the company is profitability, an integrated green supply network would open up new opportunities for firms and partners alike.

7. Summary

The study contributes to the increasing body of literature on the effect of corporate sustainability and firm performance. It further elucidates the influence of corporate sustainability on supply chain partnerships. A greater percentage of previous studies seeks to probe into the liaison betwixt corporate sustainability and firm performance using financial ratios and indicators as proxies for firm performance. However, in this study firm performance is measured as operational efficiency and performance of focal firms. Therefore, this study contributes to existing knowledge in corporate sustainability by offering insights into the effect of corporate sustainability on the non-financial performance of firms. The non-financial performance aspect of firm performance is critical because it enables the firm to examine if resource allocation and utilization are done efficiently and prudently. The findings support findings in the literature that argues the relevance of supplier identification, selection, and integration into focal firm sustainability or green agenda. It further provides insight into sustainability practices and firm performance from a developing economy perspective. This makes the research useful to both academics and practitioners as they can key into the views to enhance further research and effectiveness of company performance.

8. Conclusion

The study seeks to establish the interrelation betwixt corporate sustainability hones and supply chain partnerships and further its consequence on the performance of firms in the manufacturing sector. The indirect relation betwixt corporate sustainability hones and firm performance is emphasized by the presence of a supply chain partnership. Drawing on network social capital as a theoretical lens for the study, the study formulated three distinct hypotheses. These hypotheses were tested using survey data from key informants from diverse firms/industries in the manufacturing landscape. Empirical revelation from the study indicates that corporate sustainability does not have a relevant influence on firm performance. Influencing factors are ascribed to in the earlier part of the study. The indirect liaison betwixt corporate sustainability and firm performance is enriching through supply chain partnerships. The findings support findings in the literature that argues the relevance of supplier identification, selection, and integration into focal firm sustainability or green agenda. It further provides insight into sustainability practices and firm performance from a developing economy perspective.

Since the study makes some contributions to future studies, some shortcomings need to be addressed in future studies. Future studies should endeavor to increase the sample size – further research should be conducted using firms and informants outside the manufacturing sector to ascertain if findings cut across the diverse economic landscape. Although this study focuses on the non-financial performance of firms, it would be interesting to conduct a study that examines both financial and non-financial performance longitudinally. The outcome of such a study would provide a thorough comprehension of the effect of corporate sustainability, supply chain partnership on firm inclusive performance.

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