# Problem and Countermeasure of Enterprises' Management of Green Supply Chain

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#### **Abstract**

with the development of society and economy, the conflict between resources and environment is increasingly apparent. As the principal part of national economy, Chinese enterprises take their corresponding economic and social responsibility and they have begun to explore the modern business and operation mode, during which the green supply chain, a specific mode, has come into being. In this article, the management mode of enterprises' green supply chain was introduced, and the problem and feasible countermeasure of green supply chain of current Chinese enterprises was also discussed.

**Keywords**: the management mode of green supply chain, sustainable development, government action

At present, the environment has acquired more and more influence on the social development. For an enterprise, the green supply chain can not only bring more economic and social benefits, but also improve its competitiveness and remove the damage it has done to the environment to internalize enterprise's social cost. As there is no complete system for the green supply chain, the specific implemnetation of green supply chain is still

at the beginning, and relevant research remains in certain part of the chain, like the green purchasing, the green manufacturing or the green sale. In recent years, some international businesses have adjusted traditional supply chain, required green commodity suppy and realized a new supply chain mode. For Chinese enterprises, the key lies in how to find the crucial link and how to implement efficient management of the green supply chain.

# 1. The enterprise management theory of green supply chain

# 1.1. The concept of green supply chain management

Since its proposal, the definition of supply chain have varied in different times. The traditional supply chain belongs to the internal process of manufacturing, and focuses on the utilization of internal resources. Then its focus has transformed to the relation between enterprises and resources beyond the supply chain. Currently, the emphasis of definition is on the chain and the relation between major units, for example, between major enterprise and supplier, or between suppliers. Based on these changes, the green supply chain has taken environment into consideration and attached great importance on environmental protection to promote the cooradinated development between economy and environment.

### 1.2. The necessity of green supply chain in China

The green supply chain is conducive to satisfying the demands of present and future green consumption, reducing use cost and improving competitiveness to acquire more advantages than competitors and achieve success and long development. In addition, the green supply chain has obvious market value.

The green supply chain is crucial for China to improve environment and optimize resources allocation. The high growth in China, based on high energy and high pollution, stands at the opposite side of sustainable development, and starves for new measures. In the long term, the green supply chain is beneficial to improving our environment and realizing efficient resources allocation, therefore, it is the inevitable course for Chinese green economy and sustainable development.

The green supply chain meets the demand of present international trade. The green trade barrier, also called environmental trade barrier, refers to the control measures, law and regulation, normative documents and relevant administrative means adopted to protect people's health, prevent environmental pollution and realize economic and social sustainable development.

#### 2. The implementation of green supply chain

At present, the green supply chain has not been widely recignized by Chinese business circles, for there isn't enough publicity and few successful and typical cases for this operation mode. For some enterprises, the green supply chain remains a face-saving project of the government for responding to state policy and increasing visibility, so this new operation mode should be shouldered by large-scale enterprises. For other enterprises, they neither understand the professional staff of green supply chain nor want to pay for professional talents training while the adoption of green supply chain requires investigation. These problems hinder the development of green supply chain in China.

# 2.1. The deep-rooted traditional concept

Originated from the west, the green supply chain has not formed systematic theories. What's more, this business and operation mode has been adopted only by global large enterprises in practice, therefore, it has not widely recognized and popularized in China. Besides, as a under-developed country, numerous local governments that have no knowledge about the green production, place undue emphasis on economic development and give priority to economic development at the cost of environment.

#### 2.2. Incomplete supervisiory system

In China, a under-developed country, the incomplete law and regulation need to be improved and perfected. For example, the penalties for environmental pollution is relatively light in China and the supervi-

sion can not be embodied, which has lead to some enterprises' choice of paying the fine but not reducing pollution. Thus, the manufacturer's economic benefits have been enhanced and the externalization of cost has become legal fact, which has lead to the difference between individual and overall interests and unhealthy development of environment, while the operation and running of green supply chain require an organic whole of different units to search the harmonious relation between individual and overall interests and realize the maximization of economic and social benefits. The establishing and perfecting of Chinese law and regulation is urgently required.

# 2.3. Enterprise's weak sense of social responsibility

By traditional ideas, enterprises often design, produce and sale products according to the consuming needs and market. When the units of different parts of the supply chain overemphasize the consumption or demands, or speculate products without innovation to reduce inventory, neither the social benefit nor the internal benefit will be enhanced and their core competitiveness and comprehensive strength will be weakened. The sustainable development of society and enterprises will be lead to by the lack of social responsibility of popularizing healthy and green consumption, and the excessive pursuit of its own economic benefits.

# 3. Constraints of the green supply chain in enterprises

### 3.1. Enterprise's internal environment

Firstly, enterprise's internal cost. While the pay for the introduction of green supply chain is inevitable and most enterprises seek profit maximization, it is unpredictable for them whether this business and operation mode will bring earnings. Few enterprises are willing to bear the corresponding cost for fulfilling social responsibility.

Secondly, concern for moral hazard and safety. The running mode of green supply chain involves different links and procedures, such as research and development of products, choice and supply of materials, thus there will be a platform for information sharing, like raw material sources, suppliers and dealers. Then enterprises are facing the test of moral hazard and their own safety. Since the green supply chain is still in the beginning in China, numerous enterprises know nothing about it and tend to reject this operation mode.

### 3.2. Enterprise's external environment

Firstly, the lack of the concept of green supply chain. The publicity of green supply chain is far from enough. Some governments are confined to supervising and urging improvement of environmental pollution caused by the terminal enterprises of supply chain. However, this can not prevent the environmental worsening fundamentally. Because of the unreasonable supervision mechanism, a wide variety of enterprises refuse the green supply chain for the adoption of this new mode costs more than paying the fine for deteriorating environment. Besides, Chinese consumers often attach great importance on the safety of terminal products but miss the safety of manufacturing, which can not monitor the enterprises efficiently.

Secondly, the lack of relevant law and regulation for environmental protection.

Because of the situation above, there have been serious environmental problems in logistics for Chinese enterprises. However, there is no corresponding law and regulation.

# 4. How to strengthen the management mode of enterprise's green supply chain

#### 4.1. 1To improve the government actions

It is necessary for governments to guide enterprises to adopt the green supply chain. Firstly, governments need to fulfill the publicity work to help enterprises to know about this new operation mode. Then, relevant law and regulation must be formulated to urge enterprises to fulfill their social responsibility. Efficient punishment will promote them to protect environment. Besides, enterprises that have the initiative to take green supply chain should be envouraged with policy and bonus to set up examples for the whole society.

### 4.2. To reform the internal environment of enterprises

The managing staff of enterprises should form innovative ideas of green supply chain. The enterprises' deciders need to keep up with relevant foreign theories, renew ideas and thoughts, improve their quality and learning capability, and understand and seize the development situation to integrate economic benefits with environmental protection and explore methods for enhancing crucial competitiveness. In addition, it is necessary for enterprises to actively respond to government policies and innovate green environmental ideas to follow the practical route of development. Finally, enterprises should play their corresponding role in cooperating with the upstream and downstream parts of supply chain, and improve their rules and regulations and environmental test standards to filter the green concept of environmental protection into people's minds.

### **4.3.** To establish enterprises' strategic alliances of green supply chain

Enterprises often conduct the green supply chain according to the operation mode of existing supply chain. However, the conduct of green supply chain should not be confined within enterprises, but utilize all information of the green supply chain to improve enterprises' comprehensive competitivenss and satisfy development demands of the industry. Besides, when the green supply chain is applied, we should take Chinese concrete national conditions into consideration and endeavor to establish a new strategic partnership with suppliers and dealers. Working as an integrity of sharing information, risk and benefit, the enterprises' strategic partnership in the green supply chain is conducive to enhancing competitiveness and achieving sustainable development.

#### 5. Conclusion

As a comprehensive systematic project, the operation mode of green supply chain can not be seperated from the joint endeavors of government, enterprises and consumers. This mode is able to function as a reasonable way for reducing energy resources, protecting ecological environment and enhancing the capability of sustainable development. It's also an ideal choice for Chinese enterprises to pursue international top level and improve market competitiveness. The adoption of green supply chain must include various

green procedures from the beginning. Both the internal greening and the external greening of supply chain should be fulfilled. Through green supply chain, an enterprise will be able to integrate with different enterprises like suppliers and dealers and realize cooperation with different supply chains to bring sustainable economic benefits to all enterprises of the supply chains.

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