

CHAPTER I

INTRODUCTION

A. Background

The rise of global warming and changing biodiversity has brought the world's sustainability towards imminent danger. People from different areas including researchers, academicians, practitioners, and scientists got together to propose ways to maintain environmental sustainability. It is often claimed that unplanned and irresponsible actions by industries are potential threats to sustainability (Tseng et al., 2019). The concept and practice of green supply chain management (GSCM) have been widely debated over the past two decades (Y. Feng et al., 2022). Green Supply Chains Management is increasingly needed to reduce pollution and conserve resources. Green supply chain management (GSCM) is an integrated environmental management tool for the green transformation of the manufacturing industry and has remarkable potential to support target of carbon neutrality (M. Feng et al., 2018).

The Green Supply Chain Management approach requires coordinated efforts of upstream and downstream partners to satisfy the growing environmentally conscious expectations in the supply chain (Zhu et al., 2021). However, some evidence suggests that some Green Supply Chain Management practices do not lead to improved company performance or operational performance. Lately, environmental issues and supply chain management have been considered as the

biggest concern and organizations are making efforts to minimize their impact on the environment worldwide. Due to the increasing concern and prevalence of environmental issues in Southeast Asian countries in industrial matters, there is a need to discuss green supply chain management to implement a sustainable supply chain.

Green procurement refers to considering innovations in supply chain management and industrial procurement in an environmental context. Environmental supply chain management involves involving the purchasing function in activities that include material reduction, recycling, reuse, and substitution (Ninlawan et al., 2010). The practice of monitoring and improving environmental performance in the supply chain. Integrating environmental thinking into supply chain management, including product design, raw material sourcing and selection, manufacturing processes, final product delivery to consumers, and end-of-life management (Wong et al., 2020) (Jay Heizer, et al, 2020.). From these four definitions, there are many directions and goals regarding the green supply chain and its management. The field of study or practice (such as purchasing, operations, marketing, or logistics) also influences the definition.

Sustainability is a global issue that is critical for current and future generations. All countries that are members of the United Nations (UN) have agreed to make the world a better place and leave no one behind. This noble and ambitious desire is contained in a program called Sustainable Development Goals (SDGs) which has been adopted by 193 countries and it started in 2016 for a period of 15

years. The manufacturing industry is known as one of the biggest contributors to environmental problems because it often ignores the values and principles of environmental sustainability (Johnston, 2016). This research discusses one of the environmental issues in manufacturing companies, namely green supply chain management (GSCM). Through the implementation of Green Supply Chain Management, it is expected that there will be no environmental problems in society. Green Supply Chain Management also provides enormous economic benefits for manufacturing companies in the form of increased cost efficiency, product quality, corporate image, and public trust in the company (Johnston, 2016). Green Supply Chain Management is a strategic solution for companies to achieve business sustainability through the management of the supply chain from input-process-output in a sustainable manner.

This research will explore and discuss how the implementation of environmentally friendly supply chain management in the printing industry with the research object of Centra Grafindo company, a printing company based in Yogyakarta. According to one of the informants in this research, several barriers become important factors that affect the company's activities in carrying out the green supply chain process, such as internal factors that occur within the company, then from external factors such as government regulations that affect their work process in managing post-production waste, and other factors, therefore knowing the barriers they face is also very important in this research. After identifying the types of obstacles faced by companies in implementing green supply chain

management, this research will then analyze solutions to overcome these problems, solutions that are considered by many parties as the best solution so that in conclusion assistance can be provided. Companies optimize supply chain management in implementing green supply chain management.

Centra Grafindo is a company engaged in printing, stationery supplies, and general trading. Along with the development of digital printing technology, it is also equipped with a variety of indoor and outdoor digital printer equipment and digital printers to meet printing needs in a short time known as POD (Print on Demand). CV Centra Grafindo was established on February 02, 2002, in the city of Yogyakarta growing rapidly, and in 2003, Centra Grafindo opened a branch specializing in wedding cards and souvenirs under the name Natural Wedding Cards.

B. Research Formulation

1. How does the implementation of green supply chain management at Centra Grafindo?
2. What barriers does Centra Grafindo face in implementing green supply chain management in its business?
3. What solutions can overcome the barriers to implementing green supply chain management at Centra Grafindo?

C. Purposes of the study

This research has several important objectives and has various benefits for academia, business, and society. This research aims to:

1. To analyze the implementation of green supply chain management on the printing industry.
2. To identify the barriers to green supply chain practices in the business printing industry.
3. To identify the solution of the barriers to green supply chain implementation in the printing industry.

D. The benefits of the study

1. Benefits in the theoretical field

Usefulness in the development of science or benefits in the theoretical field.

This research is expected to enrich and complement knowledge in the field of green supply chain management, especially in the printing industry. In addition, the findings revealed in this study can also be used as a reference for further research.

2. Benefits in the field of practice

From this research, it is hoped that it can be used as learning for companies to implement green supply chain management in printing industrial businesses and improve shortcomings, especially those related to the topic of this research. In addition, the results of this study can be used as a reference for future research.