

**THE EFFECT OF SUPPLY CHAIN MANAGEMENT ON THE PERFORMANCE OF  
FIRMS.**

**A CASE STUDY OF NICE HOUSE OF PLASTICS**

**PREPARED**

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF ECONOMIC AND  
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## DECLARATION

I **Namwanje Fatumah** do declare that this report is my original work and has never been submitted to any university for any educational award.

Signature: Namwanje

Date: 27. August. 2019

## APPROVAL

I hereby confirm that this research report was done under my supervision and is now ready for submission.

Signature: Muthiniva

Date: 01/09/2029

## **DEDICATION**

This piece of work is dedicated with great pleasure to my mother sisters, and friends for the financial materials and spiritual support that they rendered to me. I really thank them for their guidance they showed.

## ACKNOWLEDGEMENT

The production of this work has been a result of many hands. In particular, I wish to thank my supervisors **Mr. Mulimira Emmanuel** for their efforts put in to ensure that this work is completed. They read and reviewed my work and ably directed me with love and encouragement. I am indeed grateful to them.

Special thanks go to all respondents that I came into contact with during this study. Their generosity in accepting to participate in the study is acknowledged and highly appreciated.

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## LIST OF ACRONYMS

NHP	Nice House of Plastics
IV	Independent variable
DV	Dependent variable
RBV	Resource-Based View
SCM	Supply Chain Management
KIU	Kampala International University

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## ABSTRACT

The study examined the effect of supply chain management on the performance of firms with a case study of Nice House of Plastics. The study aimed at achieving the following specific objectives: to assess the influence of information management on operational efficiency at Nice Housing of Plastics, to examine the relationship between logistics management and productivity at Nice House of Plastics and to assess the impact of relationship management on market performance at Nice House of Plastics. The study employed a cross section design with both qualitative and quantitative approach. The study consisted of 74 respondents where only 63 respondents were selected from the study population. The study used interview guide and questionnaires to collect data. The data collected was edited, coded and interred into SPSS. The data were presented in table forms. The tables included the frequencies and the percentages. The study findings were interpreted and discussed. The study also concludes that information management positively influences the operational efficiency at Nice Housing of Plastics. Further the study concludes that there is a positive relationship between logistics management and productivity at Nice House of Plastics. Lastly the study concludes that supply relationship management positive influence the performance of the companies. The study recommends that the companies should coordinate all outbound logistics related activities for effective integration, the companies should pay more attention to these supply chain management practices as they have a significant impact on their financial performance, the companies should also show more commitment towards long-terms strategic and collaborative relationships with their key components suppliers as this would enhance their financial performance in the long run. Information Technology basic courses and SCM short courses for managers of consumer goods manufacturing industry should be made mandatory by the organizations.

# CHAPTER ONE

## GENERAL INTRODUCTION

### 1.0 Introduction

This chapter presents the study background to the study, statement of the problem, purpose of the study, research objectives, research questions, and scope of the study, significance of the study, conceptual framework and the definition of the key terms.

### 1.1 Background of the study

Due to the number of rival companies expanding both locally and globally, companies not only have to re-establish themselves to produce higher-quality products and services, decrease waste and are able to respond to the market but also to handle their supply chain management efficiently (Juran, 2001). Globally, several firms are facing different kinds of challenges in their effort of competing in today's dynamic global markets. To remain competitive, organizations must recognize the importance of supply chain practices that improve not only their own organizational performance, but also coordinate with their supply chain partners to improve their joint performance.

In the developing countries of Africa, despite the significant advances in research and practices, many organizations continue to struggle to understand the complex issues associated with the coordinated planning and supply activities amongst the members of their supply networks (Lori et al., 2011). Supply chain is the collection of processes and resources required to make and deliver a product to the final customer well as supply chain management is, "a set of three or more entities (organizational or individuals) directly involved in the upstream and downstream flow of products, services, finances, and/or information from source to customer (Mentzer et al., 2001).

Christopher (2008) defined the supply chain also as the network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate customer. A supply chain consists of all stages involved, directly or indirectly, in fulfilling a customer request (Chopra and Meindl, 2001). Supply Chain management is defined as the set of activities undertaken in an organization to promote effective management of its supply chain (Li et al., 2006). The best supply chain practices are the initiatives that influence the whole supply chain, its parts or key processes (Cuthbertson and Piotrowicz, 2008). These practices

are influenced by contextual factors such as type of industry, firm size, its position in the supply chain, type and length of supply chain (Li et al., 2006).

Supply chain management is the streamlining of a business' supply-side activities to maximize customer value and to gain a competitive advantage in the marketplace. Supply chain management (SCM) represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible. Supply chains cover everything from production, to product development, to the information systems needed

A clear definition of firm performance is required in clarifying the multidimensional relationship between SCM practices and firm performance. The notion of firm performance has many aspects, and each aspect has been operationalized in various ways in previous supply chain management studies. For example, Flynn et al. (2010) reveal that operational performance and business performance are the two most utilized measures of firm performance. Following these studies, this research considered operational performance and business performance as two key aspects of firm performance.

In Uganda, the recent business environment is growing and more challenging, and so, companies have to increase their business operations to stay competitive (UIA, 2016). Most manufacturing firms that do not keenly select suppliers, end up producing products that are not to the customers' expected standards due to use of poor quality supplies for production because they wish to incur lesser costs during production and hence hire the supplier regardless of whether or not they have the capacity or capability to supply best quality of goods. According to this idea, one of the most important factors for improving business operations is implementing of supply chain management practices that will translate into improved organizational performance (Crook, 2004).

Nice House of Plastics (NHP) is a manufacturing firm located at 75 Kibira Road, Kampala-Uganda is the leading manufacturer of plastics in Uganda. It was founded in 2000 as a toothbrush factory. Over the years, Nice House of plastics has expanded to include a wide range of products and has been in business for over 25 years and that its products are used in local and export markets throughout the region. Emphasis is on products that offer their customers good value for money. The Company supplies a multitude of markets with a large range of cost-effective products in the following areas: Toothbrushes, writing instruments (pens), knapsack sprayers, watering cans, crates, jerry cans, bottles, 4.5liter buckets

commonly used in the painting industry, miscellaneous household plastic ware i.e. plates, mugs, buckets, basins, and straws, among others.

The Operational Manual (2017) of Nice House of Plastics (NHP) selects a supplier with good quality raw materials that end up being channelled to produce efficient products to be sold to customers and customer satisfaction, thus increasing market share and improve performance of the firm at large. However, sales of the company have been reducing in the past 5 years (Nice House of Plastics Meeting Minutes, 2013). This is the reason as to why the researcher attempts to carry out a study on the effect of supply chain management on the performance of firms with a case study of Nice House of Plastics.

## **1.2 Statement of the Problem**

In today's global economy, manufacturers are faced with a variety of changes in the business environment which has placed increasing pressures on them to reinvent themselves almost continuously (McAdam and McCormack, 2001). In order to enhance competitive advantage, better market performance, productivity, profitability and operational efficiency, manufacturers adopt the supply chain management philosophy which majorly focuses on long-term strategic invention in information management, logistics management and relationship management with a few competent and innovative suppliers and collaborate with them. The reasons for this collaboration is to maintain or improve over all firm's performance and generate sustainable competitive advantage with lowered cost of production and timely delivery of outputs centered of customer satisfaction (Malihi, 2005).

The management of Nice House of Plastics regularly use information from its competent wholesalers, retailers and regional distributors under its supply chain process to forecast demand, regulate inventories, set prices, develop products, order batching, understand human/ consumer behaviors, induce amplification and also increase the managers' knowledge regarding market and operational standards on which they base to take rational decisions for improving the performance of the firm.

However, the number of customers since the year 2014 has been annually reducing despite the firm's efforts to improve supply chain management thus leading to decrease in performance of the firm (NHP Records, 2015). It is therefore, upon this evidence that the research study intends to examine the effect of supply chain management on the performance of firms with a case study of Nice House of Plastics.

### **1.3 Objectives of the study**

#### **1.3.1 General Objective**

The study aims at examining the effect of supply chain management on the performance of firms with a case study of Nice House of Plastics.

#### **1.3.2 Specific Objectives**

The study aimed at achieving the following specific objectives:

- i. To assess the influence of information management on operational efficiency at Nice Housing of Plastics.
- ii. To examine the relationship between logistics management and productivity at Nice House of Plastics
- iii. To assess the impact of relationship management on market performance at Nice House of Plastics.

### **1.4 Research Questions**

- i. What is the influence of information management on operational efficiency at Nice Housing of Plastics?
- ii. What is the relationship between logistics management and productivity at Nice House of Plastics?
- iii. What is the impact of relationship management on market performance at Nice House of Plastics?

### **1.5 Scope of the study**

#### **1.5.1 Subject scope**

The study was confined on the effect of supply chain management on the performance of Nice House of Plastics with an overview on the bullwhip approaches taken in relation to information, logistics and relationship management. Performance of the firms were measured by profitability, productivity, operational efficiency, market performance and competitive advantage. For this study, supply chain management is the independent variable (IV) and performance of the firm is the dependent variable (DV).

### **1.5.2 Geographical Scope**

The study was carried out at Nice House of Plastics which is located at Mulwana Close, Plot 75 on Kibira Road-Kampala City. The study researcher was well conversant with the location of the firm which was ease data collection and consultations whenever required.

### **1.5.3 Time Scope**

The study was confined on the past four years of operation that is from 2014 to 2018. The study researcher used the existing information within the selected period of time on which discussions was based, appropriate recommendations and conclusion were also generated from the analysis results.

### **1.6 Significance of the study**

This study will benefit various stakeholders:

It will be beneficial to other researchers who will need more information about the effect of supply chain management and the performance of the firm.

The study will expand the researcher's knowledge on the topic under the study and later be used as a basis for future research.

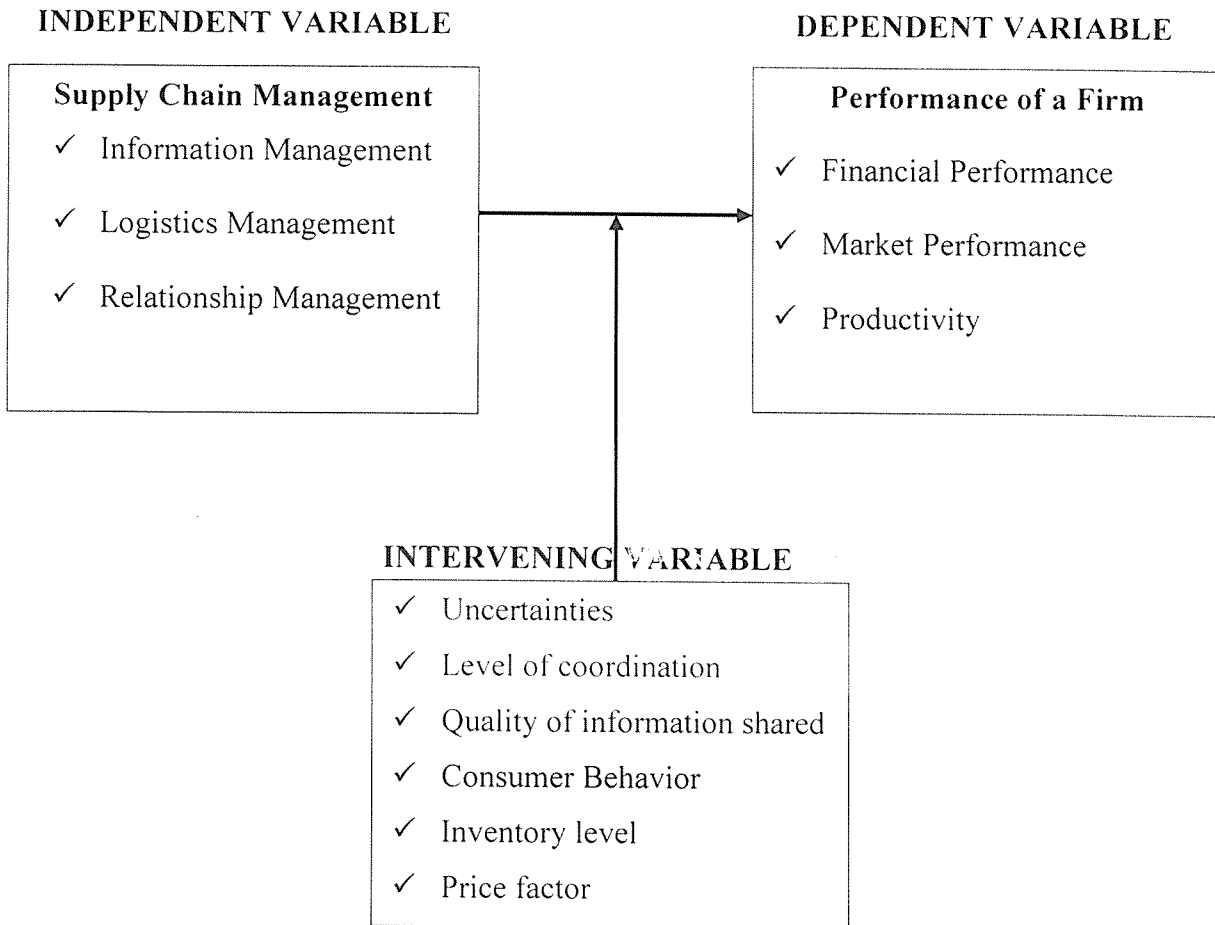
The study will add on the body of existing literature regarding supply chain management and performance of manufacturing firms which can be used by other researchers or scholars conducting a similar or related study.

The study will aid the researcher to acquire her Bachelors Degree from Ndejje University.



### 1.7 Conceptual frame work

This refer to the diagrammatic presentation of the study variables that is to say the independent variable, dependent variable and the intervening variable as illustrated in the figure below:



Supply Chain Management refers to a set of activities undertaken in an organization to promote effective management of its supply chain. These activities include information management from stakeholders, logistics management and relationship management which are integrated towards better performance of the firm which is measurable financially, analysis of market share and competitive advantage; and productivity of the resources being allocated. Though, the supply chain management practices are put in place to increase an organization's market share, return on investment and improve overall competitive positions, there are other intervening variables which include; uncertainties, level of coordination, quality of information shared, consumer behavior, inventory level and price factor.

## CHAPTER TWO

### LITERATURE REVIEW

#### **2.0 Introduction**

This chapter presents a review of the related literature written by other scholars and authors regarding the study variables with theoretical review and the actual review organized thematically in respect to the study objectives as presented in the sub themes that follow.

#### **2.1 Theoretical Review**

Various theories that may try to explain this research exist. However, the two theories below formed the basis of this research as they explain broadly the relationship between the two variables.

##### **2.1.1 Resource Based View**

In the world economy, all firms are looking to cost-down and provide real-time delivery. The resource-based view of the firm (RBV) combines two perspectives: the internal analysis of phenomena within a company, and an external analysis of the industry and its competitive environment. Specifically, the RBV considers the firm as a bundle of resources: tangible resources, intangible resources, and organizational capabilities. Competitive advantages that are sustainable over time generally arise from the creation of bundles of resources and capabilities. For advantages to be sustainable, four criteria must be satisfied: rareness, valuable, difficulty in imitation, and difficulty in substitution. Such an evaluation requires a sound knowledge of the competitive context in which the firm exists (Wernerfelt, 2004). Resource-based view is an important element in organization. Wernerfelt (2004) argues that it is possible to find the optimal product-market activities by specifying a resource profile for a firm. According to the resource based value, supply chain as used here denotes the channel of firms and intermediaries through which a product moves from the original sources of its basic raw materials through conversion/manufacture and then distribution in its finished form to the ultimate consumers. Hence a given firm must result in a resource based value before considering other actions as managers understand that all the suppliers should react to the changes from the supply chain. The supply chain is compressed to be very flexible to changes from the market (Wernerfelt, 2004).

##### **2.2.2 Systems Theory**

Systems theory is the interdisciplinary study of systems in general, with the goal of elucidating principles that can be applied to all types of systems at all nesting levels in all

fields of research (Erich, 2000). The term does not yet have a well-established, precise meaning, but systems theory can reasonably be considered a specialization of systems thinking; alternatively as a goal output of systems science, with an emphasis on generality useful across a broad range of systems (versus the particular models of individual fields). The systems view was based on several fundamental ideas (Erich, 2000). First, all phenomena can be viewed as a web of relationships among elements, or a system. Second, all systems, whether electrical, biological, or social, have common patterns, behaviors, and properties that the observer can analyse and use to develop greater insight into the behavior of complex phenomena and to move closer toward a unity of the sciences (Erich, 2000). A system in this frame of reference can contain regularly interacting or interrelating groups of activities. In Supply chain management, the context System Theory brings together various components of a complex supply chain; that is the human, capital, information, materials and financial resources to form a subsystem which is then part of a larger system of supply chains or network. The theory argues that for a holistic perspective ST must be employed to understand the internal and external factors that shape an organization's supply chain performance (Aseka, 2010).

### **2.2.3 The Principal-Agent Theory (PAT)**

Based on the separation of ownership and control of economic activities between the agent and the principal, various agency problems may arise, such as asymmetric information between the principal and the agent, conflicting objectives, differences in risk aversion, outcome uncertainty, behavior based on self-interest, and bounded rationality (Baiman and Rajan, 2002). The contract between the principal and the agent governs the relationship between the two parties, and the aim of the theory is to design a contract that can mitigate potential agency problems (Baiman and Rajan, 2002). According to the theory, the "most efficient contract" includes the right mix of behavioral and outcome-based incentives to motivate the agent to act in the interests of the principal (Eisenhardt, 2009; Logan, 2000). The alignment of incentives is an important issue in SCM. Misalignment often stems from hidden actions or hidden information. However, by creating contracts with supply chain partners that balance rewards and penalties, misalignment can be mitigated (Narayanan and Raman, 2004).

## 2.2 Actual Review

### 2.2.1 The Influence of Information Management on Operational Efficiency in a Firm.

Quality of information sharing includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged (Moberg, 2002). While information sharing is important, the significance of its impact on SCM depends on what information is shared, when and how it is shared, and with whom (Holmberg, 2000). Literature is replete with example of the dysfunctional effects of inaccurate/delayed information, as information moves along the supply chain (lee, 2007).

Divergent interests and opportunistic behavior of supply chain partners, and informational asymmetries across supply chain affect the quality of information (Feldmann, 2003). It has been suggested that organizations will deliberately distort information that can potentially reach not only their competitors, but also their own suppliers and customers (Mason, 2007). It appears that there is a built in reluctance within organizations to give away more than minimal information since information disclosure is perceived as a loss of power. Given these predispositions, ensuring the quality of the shared information becomes a critical aspect of effective SCM (Feldmann, 2003). Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion.

Information sharing has two aspects: quantity and quality. Both aspects are important for the practices of SCM and have been treated as independent constructs in the past SCM studies (Romano, 2001). Level (quantity aspect) of information sharing refers to the extent to which critical and proprietary information is communicated to one's supply chain partner (Monczka, 2008). Shared information can vary from strategic to tactical in nature and from information about logistics activities to general market and customer information (Mentzer, 2000). Many researchers have suggested that the key to the seamless supply chain is making available undistorted and up-to-date marketing data at every node within the supply chain (Child House and Towill, 2003). By taking the data available and sharing it with other parties within the supply chain, information can be used as a source of competitive advantage (Jones, 2007).

Lalonde (2008) considers sharing of information as one of five building blocks that characterize a solid supply chain relationship. According to (Stein and Sweat, 2008) supply chain partners who exchange information regularly are able to work as a single entity. Together, they can understand the needs of the end customer better and hence can respond to market change quicker. Moreover, (Tompkins and Ang, 2009) consider the effective use of

relevant and timely information by all functional elements within the supply chain as a key competitive and distinguishing factor. The empirical findings of (Child house and Towill,2003) reveal that simplified material flow, including streamlining and making highly visible all information flow throughout the chain, is the key to an integrated and effective supply chain

Fynes *et al.* (2005) consider communication as the sharing of opportune (in time), significant, informal and formal information between contractor and suppliers. The authors highlight there are three aspects of information behavior that are important for the relationship: information quality, how information is shared and the level of contribution from both parts for the common objectives and plans. It includes aspects such as accuracy, genuineness and credibility of information exchange. Information quality is related to “what”, “how” and “when” information is shared. Different interests of agents (links) of the supply chain usually affect the quality of information. The basic idea is that information must be seen as a patrimony with the minimal flux of distortion and delay (Li, et al. 2006).

### **2.2.2 The Relationship between Logistics Management and Firm’s Productivity**

In this context arises the need for application of modern management practices in all aspects of the operations of the company, especially in the supply chain management, which contributes to increasing competitiveness (Hassini 2008). One important element is the logistics which provides management with the total operations costs and increases the efficiency of the company’s business activities. Collaboration among all the supply chain players coupled with a responsive approach can enhance organizational competitiveness through reduced lead-time facilitated by smooth flow of material from upstream towards the downstream end of supply chain. This approach will ensure end customers get value for their money and also reduce the level of uncertainty in the industry (Francis and Waiganjo 2014).

The continuous adjustment and improvement of processes is a key mechanism for the functioning of the company in modern conditions and a significant competitive advantage. Supply chain management practices impact not only overall organizational performance, but also competitive advantage of an organization (Karimi and Rafiee, 2014).The proper supply chain management is a process that reduces costs and increases the competitiveness of the company (Kumar *et al.*, 2006). Hence, the logistics needs to respect the process of planning, implementation and control of the procurement, storage, transport and information and with the sole purpose to improve them. Every company should develop an appropriate mission and

vision in order to implement its business logistics. The mission of the business logistics is to ensure availability of the right product in the right quantity, on the right place, at the right time and to the right buyer at the right price. The vision of the business logistics is to ensure sustainable development, or to set logistics activities and operations in order to get the final results with the least possible level of coordination, maximum synergy and lowest costs in accordance with all environmental and consumer laws. Mentzer and Konrad's (2001) definition of logistics effectiveness is the extent to which the logistics function's goals are accomplished.

Logistics implicates to the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements. It comprises the management of raw materials flow to finished goods through an organization. Logistics means planning and organizing activities that ensure that resources are in place so that the process can be effectuated accordingly in efficient and effective manner (Mellat-Parast and Spillan, 2014). The main functions of logistics managers involve organizing and planning of inventory, purchasing, transportation, warehousing activities. The logistic activities can be divided in two categories (Lambert and Burduroglo, 2000):

- Inbound Logistics, that refers to the activities connected with the procurement of material, handling, storage and transportation; and
- Outbound Logistics, that refers to the activities connected with the collection, maintenance and distribution or delivery of the product to the final consumer.

Accordingly, logistics is strategically important in many industries as it is central to achieving competitive advantage (Kenyon and Meixell, 2007). However, companies must respond to changing customer needs, and logistics flexibility is an important part of the response (Zhang *et al.*, 2005). Each company must develop or create its own logistical values that will be incorporated into the product, or its value in use. For customers despite the shape of the product, it is important that it will be accessible to them in the required time. There are six reverse logistics capabilities that have impact on companies' performance: logistics information management, close-loop capability, supply chain integration, supply chain coordination, conformity capability, and institutional incentives (Vlachos, 2016).

In today's dynamic competitive environment, logistics management strategy plays a significant part in the overall corporate governance, especially in the area of asset management and financial flows of the company. In other words, the use of logistical savings will allow the policy of lower prices, longer payment terms, and higher level of service to customers and therefore, increased operating efficiency.

There has been a change in the way business is conducted today. Due to the development in technology, the logistics management has evolved and gained greater significance in doing business. Logistics management is treated as a part of the supply chain management that deals with management of goods in an efficient way. It is the management process that integrates the movement of goods, services, information and capital, right from the sourcing of raw material, to the consumer (Springinkle and Wallenburg, 2012). The goal of the logistics management is to provide the right product with the right quality at the right time in the right place at the right price to the ultimate customer (Mentzer *et al.*, 2004). Logistics management has been defined as a high priority for contemporary organizations. The success of logistics management is determined through the combination of efficiency, effectiveness and differentiation (Fugate *et al.*, 2010). Eventually, supply chain management measures through procrastination affect price/cost, product's quality, innovation and marketing time (Mamad and Chahdi, 2013).

Previous researches have shown that excellence in performing logistics activities and capabilities is associated with superior organizational performance (Lynch *et al.*, 2000). Merriam-Webster defines efficiency as "effective operation as measured by a comparison of production with cost (as in energy, time, and money)," or as, "the ratio of the useful energy delivered by a dynamic system to the energy supplied to it." Efficiency pertains to getting the most out of a fixed set of resources. Fugate, Mentzer and Stank (2010) define efficiency as "the internal functioning of logistics and [as] generally [being] considered best represented through some ratio of the normal level of inputs to the real level of outputs." There is great importance of learning in today's hypercompetitive global supply chain environment especially through adopting learning principles in logistics (Esper *et al.*, 2007). Moreover, managers should be cautious to note the critical role of organizational contexts i.e., culture, affecting the relationship between supply chain integration and operational performance. Logistics managers are committed to check the quantity of products in stock daily, to check the minimum allowable amount of each product that is in stock at least once a week. In cases where the quantity of a product in inventory is below the minimum allowable value, they

immediately place orders for that product. Besides the quantity, the basic information for every product that is in stock is its unit price and the total value of all products in stock should be as small as possible or within the optimum.

Logistics managers pay special attention to the records of the time required for procurement and retention according to each product. For each product in stock they should know the time needed for their purchase from order to delivery, the time each product spends in stock indirectly reduces the value of the product. There is a need for keeping products in stock is less possible. As long as the quantity of products in stock is lower, the inventory cost will be smaller.

Logistics managers keeping electronic records of inventories facilitate inventory control and shorten the time required for ordering products (Storey *et al.*, 2006). Detailed records kept for each executive transport in the company, facilitates the selection of any subsequent transport, comparing the cost of previous transports. The evidence of each transport shows the time required for delivery and the so called breakpoints. The future planning of any transport avoids all breakpoints that have occurred in previous transports. A detailed record of any transport should also be carried out in a special program or electronically. The existence of such systems and databases allows quick comparison of data from past activities and provides improved activity or reducing potential costs and time lost so the company can choose the most favorable and cheapest option (Bowersox *et al.*, 2007).

Logistics managers know how to properly choose the location of warehouses. Good location of the warehouse is advantage and every transport can be handled more promptly. Although the so called "idle" is inevitable in every transport, companies are constantly seeking ways to reduce it through proper storage of products and therefore, increasing their lifespan.

Logistics costs are expenses that are incurred by performing logistics activities and by having the infrastructure, capacity or the readiness to perform logistics activities during a certain time period (Hälinen 2015). Logistics costs represent a significant proportion of business costs: depending on the method applied and the industry in question, the share of logistics costs as a percentage of company turnovers is estimated to be at least 10 per cent in industrialised countries (Engblom *et al.* 2012).

Petterson and Segerstedt (2013) note that although the terms logistics cost and supply chain cost are often used interchangeably, their scope is essentially different. While logistics costs



typically include costs related to distribution and warehousing, supply chain costs involve all relevant costs in the supply chain of the company, such as manufacturing and installation costs. Several classifications of logistics cost components exist but the disjointed definitions or research methodologies make them difficult to compare (Rantasila, 2013). Lambert (2004) includes transportation, warehousing, inventory carrying, order processing and information costs but also production lot quantity costs and costs of lost sales. Gunasekaran et al. (2001) include, for example, cost of lost sales, the opportunity cost of warehousing, capital and storage and risk costs under inventory costs, thus combining elements of warehousing and inventory carrying costs. Inventory carrying costs vary according to the level of inventory changes and warehousing costs vary according to the number of warehousing facilities (Lambert, 2004).

### **2.2.3 The Relationship between Relationship Management on Market Performance of a Firm.**

A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts. Such strategic partnerships are entered into to promote shared benefits among the parties and on-going participation in one or more key strategic areas such as technology, products, and markets (Yoshino, 2005). Strategic partnerships with suppliers enable organizations to work more effectively with a few important suppliers who are willing to share responsibility for the success of the products. Suppliers participating early in the product-design process can offer more cost effective design choices, help select the best components and technologies, and help in design assessment (Wisner, 2002). Strategically aligned organizations can work closely together and eliminate wasteful time and effort. An effective supplier partnership can be a critical component of a leading edge supply chain.

Customer Relationship comprises the entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction (Noble, 2007) and (Tan, 2008) Consider customer relationship management as an important component of SCM practices. As pointed out by Day (2000), committed relationships are the most sustainable advantage because of their inherent barriers to competition. The growth of mass customization and personalized service is leading to an era in which relationship management with customers is becoming crucial for corporate survival (Wines, 2006). Good relationships with supply chain members, including customers, are needed for successful implementation of SCM programs. Close customer

relationship allows an organization to differentiate its product from competitors, sustain customer loyalty, and dramatically extend the value it provides to its customers

A variety of theoretical frameworks have been used in order to explain the nature of SC relationships. These include transaction cost, political economy, economic sociology, social exchange and resource dependence theories (Robicheaux and Coleman, 2004). These theoretical frameworks have all contributed to the modelling of SC relationships in their identification of the underlying dimensions of relationships. Transaction cost economics view relationships as governance structures to reduce the hazards of uncertainty and asset specificity, political-economy regard dyadic channel relationships as dynamic processes based on the interplay of context and organizational forms; economic sociology regards the relationship as socially oriented structures formed by networks of individuals where trust plays a primary role; social exchange theory posits that relationships arise from the need to provide mutually satisfying rewards; and resource dependence views the organisation as seeking to exploit and recombine unique and inimitable resources that may be outside the realm of the organisation and where relationships lead to the appropriation of these resources. These frameworks are different in their selection of appropriate units of analysis (such as firm, dyad or network). While these theories were framed with varying perspectives, they indicate some common issues with respect to the management of business relationships. They provide some interesting indications concerning the interaction processes within relationships, how they develop and how they are managed.

#### **2.2.4 The Effect of Supply Chain Management on the Performance of Firms.**

SCM practices impact not only overall organizational performance, but also competitive advantage of an organization. They are expected to improve an organization's competitive advantage through price/cost, quality, delivery dependability, time to market, and product innovation. Prior studies have indicated that the various components of SCM practices (such as strategic supplier partnership) have an impact on various aspects of competitive advantage (such as price/cost). For example, strategic supplier partnership can improve supplier performance, reduce time to market (Hanfield, 2007), and increase the level of customer responsiveness and satisfaction (power, 2001). Information sharing leads to high levels of supply chain integration by enabling organizations to make dependable delivery and introduce products to the market quickly. Information sharing and information quality contribute positively to customer satisfaction and partnership quality (Lee,2009).

Postponement strategy not only increases the flexibility in the supply chain, but also balances global efficiency and customer responsiveness (Van, 2009). Firms with high levels of SCM practices will have high levels of competitive advantage. Having a competitive advantage generally suggests that an organization can have one or more of the following capabilities when compared to its competitors: lower prices, higher quality, higher dependability, and shorter delivery time. These capabilities will in turn enhance the organization's overall performance (Mentzer, 2000). Competitive advantage can lead to high levels of economic performance, customer satisfaction and loyalty, and relationship effectiveness. Brands with higher consumer loyalty face less competitive switching in their target segments thereby increasing sales and profitability (Moran, 2001).

From the literature review, it is clear that scholars have different views on the supply chain management practices that are key to organization performance. They however seem to agree on the main practices which are strategic supplier relationship, customer relationship, information sharing, information quality and out sourcing. It is an indication that different organizations rank these practices differently whereby one supply chain management practice can be widely adopted by an organization but minimally adopted or even not at all used by another organization. It is also clear that there is a positive correlation between supply chain management practices and organization performance as they enable organizations to have competitive advantage represented by factors like low price /cost, demand dependability, product innovation, short time to market among many others thanks to these practices.

## CHAPTER THREE

### METHODOLOGY

#### 3.0 Introduction

This chapter presents a detailed description of the research methodology that was used in conducting the study. These approaches include the research design, study area, population of the study, sample size, sample method process/procedure, sources of data, data collection techniques, research ethical consideration, limitation of research and De-limitation.

#### 3.1 Research Design

The researcher employed a cross section design to assess the effect of supply chain management of the performance of firms. A mixed method was used as both qualitative and quantitative approaches are to be used while analysing the study variables as it is appropriate in gathering data from a sample population at particular time in order to obtain attitudes and interests of various groups of people (Amin, 2005).

#### 3.2 Population of the study

The study consisted of 74 respondents from whom the researcher selected the respondents to participate in the study. The researcher considered 60 respondents and 14 clients of Nice House of Plastics. All this constitutes the population with the potential to provide valid information about the effect of supply chain management on the performance of firms.

#### 3.3 Sample Size

A representative number of 63 respondents were selected from the study population. These were selected using purposive sampling and this method helped the researcher to get information by selecting population depending on certain characteristics that the researcher is interested in.

The sample size was determined using Sloven's formula as computed below;

$$\begin{array}{l} N = 74 \\ n = \frac{N}{1 + N(e^2)} \end{array} \quad \left| \quad \begin{array}{l} n = \frac{74}{1 + 74(0.05)^2} \\ n = \mathbf{63 \text{ respondents}} \end{array} \right.$$

Therefore, the sample size was 63 respondents who were selected from the population.

**Table 3.3: Sample size of the respondents**

<b>Category of population</b>	<b>Population</b>	<b>Sample Size</b>	<b>Sampling Technique</b>
Top Managers	10	6	Purposive sampling
Company Staffs	50	45	Purposive sampling
Clients	14	12	Purposive sampling
<b>Grand total</b>	<b>74</b>	<b>63</b>	

**Source: Researcher's Expectations**

### **3.5 Sampling Techniques**

The study basically used purposive sampling technique. Purposive Sampling technique was used while selecting respondents from the workers and clients of Nice House of Plastic with the main reason of attaining only those in position of the required information.

### **3.6 Sources of data**

Data was collected from both primary and secondary sources.

#### **3.6.1 Primary Data**

The primary data sources provided data that were collected directly from the field for the first time by use of data collection tools like interviews, observation and questionnaires which was largely include the respondent's ideas, views, and suggestions about the study.

#### **3.6.2 Secondary Data**

The secondary data sources were obtained from the theory or the use of existing literature from text books, previous research/journals magazines, newspapers, reports and other documentaries available in the school/ public libraries. The researcher mainly rely on primary data because it helps to directly interact with the source of information mean while secondary data is considerably cheaper and faster than undertaking original studies.

### **3.7 Data collection Methods and Instruments**

During the study, various collection instruments were used and these include; interview guide and questionnaires.

### **3.7.1 Interview Guide**

Interviews were used by the researcher because they ensure probing for more information, clarification, capture facial expression of the interviewees and it is the least subject to interview bias subjectivity. It is a way of getting in-depth and comprehensive information from the respondents that could not be easily observed by the researcher or even putting in writing (Osoet, 2008).

The researcher considered interviews because it helped in collecting information about the effect of supply chain management on the performance of firms. The study researcher had interviews with the top managers of Nice House of Plastics as they were busy yet they are viable of providing reliable arguments to the discussion questions being asked to them.

### **3.7.2 Questionnaires**

These are self-administered questions that are both structured and semi structured formalized questions used in the survey to collect information which is later analysed to provide results necessary for solving a given research problem. The researcher used self-administered questionnaires. These allowed respondents to choose from alternatives that were provided by the researcher and this aided in attaining first hand information. Questionnaires were distributed among the workers and clients of Nice House of Plastics.

### **3.8 Data Analysis**

The data collected was edited for accuracy, completeness and to find out how well the answered questionnaires were and this must be done in line with the questionnaires. The edited data were coded. Coding involves assigning numbers to similar questions from which answers given unique which looks to make the work easier. In this case SPSS (Statistical Package for Social Scientists) were used to analyze the coded data.

Presentation of data involves use of tables, pie-charts and graphs that are generated from the questions relevant to the study variables. Interpretation and discussion of the results were done as the researcher explains the strength of the study variables basing on the frequencies and percentages, charts and graphs. Qualitative data was added in form of assertion and discussions in respect to the study objectives and concepts being discussed in the study.

### **3.9 Data Quality Control**

The researcher ensured quality of the data collected, through using questionnaires, interview guide and appropriate sampling techniques to assess the reliability and validity of data.

Reliability is the degree to which an assessment tool produces stable, consistence or dependable data. It was used to ensure that the data provided is consistent and dependable, while validity is used to indicate how sound the research is, it applies to both the design and methods of research used in the study. It is also a primary responsibility of every study (Phelan, 2006).

Therefore data needs not to be only reliable but also true and accurate, the researcher then had to ensure that, the information got or data collected from the field is valid, reliable and of great impact to the study in relationship to supply chain management and the performance of Nice House of Plastics.

### **3.10 Research Procedure**

Once approved, the researcher then obtained an introductory letter from the Faculty Dean of the Business Administration, University. This letter was presented to the local administrators of Nice House of Plastics so that the student can be allowed to conduct the study at the company.

Upon authorization by the administrators and being introduced, the researcher started collecting data using the methods already discussed above. The researcher felt the consent of respondents, who may argued to feel free and express their views in providing the correct information. The purpose of the study was re-emphasized. Research findings were compiled into a final dissertation and submitted to the University for Examination.

### **3.11 Research Ethical Consideration**

The following ethical characters were maintained.

- a) Keep a representable and professional attitude in the field.
- b) Pledge total confidentiality and deliver on that promise.
- c) The researcher did not endeavor with stereotypical and biased on demographic like race, age, beauty and many others.

### **3.12 Limitations of Research**

The researcher encountered challenges in obtaining statistical data to support the study. This is due to high levels of confidentiality among various departments in regard to certain sensitive statistical data of the organization.

The study had limited data as some respondents may deny giving their views and arguments to the questions being asked to them. This was based on the privacy and confidentiality of the company operational practices and their effectiveness.

The researcher was challenged with the unfair weather conditions that may result into delayed appointments and improper movements during data collection and distribution of instruments. The researcher managed to accompany herself with protective gadgets to poor weather conditions that enabled him to reach different locations.

The study researcher faced financial constraints during the execution of different project activities such as type setting, printing, photocopies, facilitation of field visits and binding of the report. This was managed by soliciting funds from different friends and relatives.



## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.0 Introduction

This chapter presents the analysis and interpretation of results about the effect of supply chain management on the performance of firms with a case study of Nice House of Plastics. The chapter is built basing on the three objectives of the study that is;

1. To assess the influence of information management on operational efficiency at Nice Housing of Plastics.
2. To examine the relationship between logistics management and productivity at Nice House of Plastics
3. To assess the impact of relationship management on market performance at Nice House of Plastics.

#### 4.1 Background information of the respondents

The background information focused on gender, number of years worked with Nice House of Plastics, age group, and marital status and education levels. The results are tabulated in tables 4.1-4.4.

**Table 4. 1:** Gender

	Frequency	Percent
Male	44	70.0
Female	19	30.0
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: Primary Data (2019)**

From the table 4.1, the study revealed that 70% of the respondents were male and 30% were female, which as evidenced by the researcher was due to the fact that there were more male willing to take part in the study and also the most active members than the females at Nice House of Plastics. It is therefore concluded that the researcher did not have gender discrimination since data was collected from the two gender groups.

**Table 4. 2: Level of education**

	Frequency	Percent
A-Level	2	2.5
Diploma	38	60
Degree	8	25
Masters	16	12.5
<b>Total</b>	<b>63</b>	<b>100</b>

Source: Primary Data (2019)

Respondents were asked to indicate their level of education attained. It was noted that educated staff possess adequate minimum skills to perform in their duties and they are said to have high levels of integrity. Table 4.2 established the education level of the respondents and the responses revealed that; 60% of the respondents had attained diploma as their highest level of education, 25% had degree, 12.5% had masters and 2.5% had A-Level certificate as their highest level of education attained. This implies that the respondents could easily interpret the questionnaire, hence providing relevant information needed by the study. This is concluded that the researcher collected information from the respondents who were knowledgeable

**Table 4. 3: Marital status**

	Frequency	Percent
Married	37	58.8
Single	25	40.0
Total	62	98.8
Missing System	1	1.3
<b>Total</b>	<b>63</b>	<b>100.0</b>

Source: Primary Data (2019)

Table 4.3 established the marital status of the respondents and the responses revealed that; 58.8% of the respondents were married and 40% were single. Marital status of the respondent is very crucial towards the validity and reliability of the information provided. It is noted that married people and widows tend to have stable minds. Therefore, the researcher obtained valid and reliable information.

**Table 4. 4: Age Group**

	<b>Frequency</b>	<b>Percent</b>
20-29	40	63.7
30-39	20	31.3
40-49	3	5.0
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: Primary Data (2019)**

The table 4.4 presents the age groups of the respondents, where 63.7% were between 20-29 years, 31.3% were between 30-39 years, 5% were between 40-49 years. The study concludes that there were respondents from all the age groups meaning that Nice House of Plastics does not have age discrimination in their selection and recruitment process. The study also reveals that the researcher mostly obtained information from respondents with stable minds since it is known that, a person with at least 40 years, he/she is said to be active in participation and active in conducting day to day recurrent of the organization, hence providing the most reliable and valid data.

#### **4.2The influence of information management on operational efficiency at Nice Housing of Plastics**

Respondents were asked to indicate their opinions regarding the influence of information management on operational efficiency at Nice Housing of Plastics. The findings were presented in the table 4.5-4-10

**Table 4. 5: Provides accurate, timely and complete information for effective management of the company's operations**

	<b>Frequency</b>	<b>Percent</b>
Agree	2	3.8
Strongly agree	59	93.8
Total	61	97.5
Missing System	2	2.5
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

According to table 4.5, majority of the respondents 93.8% strongly agreed that information management provides accurate, timely and complete information for effective management

of the company's operations. However, 3.8% of the total respondents agreed and this implies that, information management provides accurate, timely and complete information for effective management of the company's operations since all respondents generally agreed.

**Table 4. 6: Nice Housing of Plastics has an efficient information management that ensures uninterrupted flow of goods and services**

	Frequency	Percent
Strongly Disagree	2	2.5
Disagree	8	12.5
Not sure	16	25.0
Agree	38	60.0
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data (2019)**

According to table 4.6, majority of the respondents 60% generally agreed that Nice Housing of Plastics has an efficient information management that ensures uninterrupted flow of goods and services. However, 25% of the total respondents were not sure and only 15% disagreed. This implies that Nice Housing of Plastics has an efficient information management that ensures uninterrupted flow of goods and services since majority of the respondents generally agreed.

**Table 4. 7: Nice House of Plastics manages information to improve organisational efficiency and productivity**

	Frequency	Percent
Strongly Disagree	3	5.0
Disagree	3	5.0
Not sure	12	18.8
Agree	39	62.5
Strongly agreed	6	8.8
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: Primary Data (2019)**

Table 4.7, shows that majority of the respondents 71.3% generally agreed that Nice House of Plastics manages information to improve organisational efficiency and productivity. However, 18.8% of the total respondents were not sure and only 10% disagreed. This implies

that Nice House of Plastics manages information to improve organisational efficiency and productivity since majority of the respondents generally agreed.

**Table 4. 8: The Company runs its operations at a low cost levels**

	Frequency	Percent
Disagree	11	17.5
Not sure	19	30.0
Agree	32	50.0
Total	78	97.5
Missing System	2	2.5
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.8, indicates that majority of the respondents 50% of the respondents agreed that due to effective information management systems used, Nice House of Plastics runs its operations at a low cost levels. However, 17.5% of the total respondents disagreed and 30% were not sure. This implies that information management helps Nice House of Plastics to run the operations at a low cost levels since majority of the respondents agreed.

**Table 4. 9: Information management fosters innovation capacity and growth of Nice House of Plastics which leads to high performance of company**

	Frequency	Percent
Disagree	6	8.8
Not sure	10	16.3
Agree	15	23.8
Strongly agree	32	51.2
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.9, indicates that majority of the respondents 75% of the respondents generally agreed that information management fosters innovation capacity and growth of Nice House of Plastics which leads to high performance of company. However, 16.3% of the total respondents were not sure and 8.8% disagreed. This implies that information management fosters innovation capacity and growth of Nice House of Plastics which leads to high performance of company.

**Table 4. 10: Information management supports better management decision making**

	Frequency	Percent	Cumulative Percent
Disagree	13	16.3	16.3
Not sure	26	32.5	49.8
Agree	41	51.2	100.0
<b>Total</b>	<b>80</b>	<b>100.0</b>	

**Source: primary data (2019)**

Table 4.10, indicates that majority of the respondents 51.2% of the respondents agreed that information management support the company in making better management decision. However, 16.3% of the total respondents disagreed and 32.5% were not sure. This implies that information management support better management decision making since majority of the respondents agreed.

From the interviews conducted, the study found out that,

*“Information management is very important in the achievement of organisational objectives The issues of concern are ‘what is the state of information management research?’ ‘Is there a higher level of evaluation and control to ensure that quality information is available to enhance higher performance in organisations?’ ‘What is the direction of information management research?’”.All the above can facilitate improved efficiency of the organisational operations.*

A another respondent with the ID2 said that,

*“Information management has the objective of processing recorded information and distributing them to all users as efficiently as possible to ensure that the value of information is identified and exploited to achieve the fullest benefits. To be able to achieve these objectives, information needs to be managed like all other resources”.*

### **4.3The relationship between logistics management and productivity at Nice House of Plastics**

Respondents were asked to give their opinions regarding the relationship between logistics management and productivity at Nice House of Plastics. The results are tabulated in table 4.11-4.15.

**Table 4. 11: Logistics management reduces the overall transportation costs that may affect the operations of the company**

	Frequency	Percent
Disagree	4	6.3
Not sure	12	18.8
Agree	35	56.3
Strongly agree	12	18.8
<b>Total</b>	<b>63</b>	<b>100.0</b>

Source: primary data

Table 4.11, indicates that majority of the respondents 56.3% of the respondents agreed that logistics management reduces the overall transportation costs that may affect the operations of the company. However, 6.3% of the total respondents disagreed and 18.8% were not sure. This implies that Nice House of Plastics has in place effective logistics management system that help them reduce the transportation costs that may affect the operations of the Supply Chains since majority of the respondents agreed. The respondent of ID1 reported that,

*“Managing logistics on a proper level gives the company control over inbound freight, keep inventory at optimal levels, organize the reverse flow of goods, and utilize freight moves on the proper transportation modes – all of which can cut costs significantly”.*

**Table 4. 12: Logistics management help Nice House of Plastics to achieve timely delivery of raw materials**

	Frequency	Percent
Agree	7	11.3
Strongly agree	56	88.8
<b>Total</b>	<b>63</b>	<b>100.0</b>

Source: primary data

Table 4.12, reveals that majority of the respondents 88.8% of the respondents strongly agreed that logistics management help Nice House of Plastics to achieve timely delivery of raw materials and 11.3% of the total respondents agreed. This implies that logistics management

help in achieving timely delivery of raw materials since all respondents generally agreed. This means that logistics is firmly and clearly defined within a supply chain. However, due to differing customer demands, it has to be constantly evolving in order to provide better results.

**Table 4. 13: Logistics management adopted at Nice Housing of Plastics facilities uninterrupted flow of goods and services**

	Frequency	Percent
Agree	6	8.8
Strongly agree	57	91.2
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.13, reveals that majority of the respondents 91.2% of the respondents strongly agreed that Logistics management adopted at Nice Housing of Plastics facilities uninterrupted flow of goods and services and 8.8% of the total respondents agreed. This implies that logistics management adopted at Nice Housing of Plastics facilities uninterrupted flow of goods and services.

**Table 4. 14: Logistics management is the key to successful operations of the company's supply chain management**

	Frequency	Percent
Not sure	1	1.3
Agree	51	81.3
Strongly agree	11	17.5
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.14, reveals that majority of the respondents 98.7% of the respondents agreed that logistics management is the key to successful operations of the company's supply chain management. However, 1.3% of the respondents were not sure. This implies that logistics management is the key to successful operations of the company's supply chain management since all respondents generally agreed. This is in line with what the supply chain manager said that,

*“Supply chains are unique networks between businesses that deal with the production, shipment, warehousing and delivery of products. These networks are very*



*important to businesses as they largely affect sales and profits. However, without effective and well-organized logistics, supply chains can't help the business gain a clear advantage over the competition".*

**Table 4. 15: Logistics management promote increased customer satisfaction**

	Frequency	Percent
Disagree	13	21.3
Not sure	2	3.8
Agree	11	17.5
Strongly agree	36	57.5
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.15, reveals that majority of the respondents 57.5% of the respondents strongly agreed that logistics management systems adopted at Nice Housing of Plastics promotes increased customer satisfaction and 17.5% of the total respondents agreed. However, 21.3% of the respondents disagreed and 3.8% were not sure. This implies that logistics promotes increased customer satisfaction since majority of the respondents generally agreed. A respondent with the respondent ID3 reported that,

*“Consumers demand better service, and this mandate creates a need for shippers to provide fast, accurate and quality service. It is therefore the role of logistics manager to increased customer satisfaction. Good management strategy is aimed to constantly optimize transportation processes and eliminate disruptions. Improved customer service can bring a good reputation to a company's brand and help generate more business”.*

#### **4.4The impact of relationship management on market performance at Nice House of Plastics**

Respondents were asked to give their opinions regarding the impact of relationship management on market performance at Nice House of Plastics. The results are tabulated in table 4.16-

**Table 4. 16: Nice House of plastics is able to reduce organizational costs due the effective management of relationship**

	Frequency	Percent
Disagree	8	12.5
Not sure	2	3.8
Agree	43	67.5
Strongly agree	10	16.3
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data (2019)**

Table 4.16, reveals that majority of the respondents 67.5% of the respondents strongly agreed that Nice House of plastics is able to reduce organizational costs due the effective management of relationship and 16.3% of the total respondents agreed. However, 12.5% of the respondents disagreed and 3.8% were not sure. This implies that Nice House of plastics is able to reduce organizational costs due the effective management of relationship since majority of the respondents generally agreed.

**Table 4. 17: Relationship management play a critical part in shaping innovative relationships that yield great success to the company**

	Frequency	Percent
Disagree	1	1.3
Not sure	6	8.8
Agree	5	7.5
Strongly agree	51	81.3
Total	62	98.8
Missing System	1	1.3
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.17, reveals that majority of the respondents 81.3% of the respondents strongly agreed that relationship management play a critical part in shaping innovative relationships that yield great success to the company and 7.5% of the total respondents agreed. However, 1.3% of the respondents disagreed and 8.8% were not sure. This implies that relationship management

play a critical part in shaping innovative relationships that yield great success to the company since majority of the respondents generally agreed.

**Table 4. 18: Relationship management help the company increase the company’s operational efficiency and effectiveness**

	Frequency	Percent
Disagree	2	3.8
Not Sure	7	11.3
Agree	30	47.5
Strongly Agree	24	37.5
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.18, reveals that majority of the respondents 85% of the respondents strongly agreed that relationship management help the company increase the company’s operational efficiency and effectiveness and 3.8% of the total respondents disagreed. However, 11.3% of the respondents disagreed and 8.9% were not sure. This implies that Relationship management help the company increase the company’s operational efficiency and effectiveness since majority of the respondents generally agreed. The respondent with the ID6 also reported that,

*As the company establish relationship with different stakeholders, communication improves. Suppliers gain a more complete understanding of the businesses they serve, and this allows them to meet their needs more effectively. Delays in the supply chain will decrease, and the flow of operations will greatly improve. And when issues in the ordering process do arise, the healthy working relationship between supplier and client will make such issues easier to resolve”.*

**Table 4. 19: Nice House of Plastics enters into a long term relationship with the suppliers to minimize the rate price volatility**

	Frequency	Percent
Strongly Disagree	2	2.5
Disagree	2	3.8
Not Sure	2	3.8
Agree	39	62.5
Strongly Agree	17	27.5
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.18, reveals that majority of the respondents 80% of the respondents generally agreed that Nice House of Plastics enters into a long term relationship with the suppliers to minimize the rate price volatility and 6.3% of the total respondents disagreed. However, 3.8% of the respondents disagreed and 8.9% were not sure. This implies that relationship management help to minimize the rate price volatility since majority of the respondents generally agreed. According the interview with the store’s manager, it is noted that,

*“By adopting the principles of supplier relationship management, companies can often take advantage of fixed pricing or scaled increases in exchange for lengthier contract terms, minimum order levels or various other qualifying criteria. Having a clear and unambiguous cost base allows a business to set its own pricing structures with some certainty, and that often translates to happier, more loyal customers”.*

**Table 4. 20: Nice House of Plastics enters into a relationship management to promote continuous improvement of company’s operations**

	Frequency	Percent
Disagree	5	7.5
Not Sure	18	28.7
Agree	23	36.3
Strongly Agree	17	27.5
<b>Total</b>	<b>63</b>	<b>100.0</b>

**Source: primary data**

Table 4.17, reveals that majority of the respondents 63.8% of the respondents generally agreed that Nice House of Plastics enters into a relationship management to promote continuous improvement of company's operations. However, 7.5% of the respondents disagreed and 28.7% were not sure. This implies that Nice House of Plastics enters into a relationship management to promote continuous improvement of company's operations since majority of the respondents generally agreed. Through the interviews with the Procurement manager, it was noted that,

*“A long-term relationship allows for the free-flow of feedback and ideas. Over time, this will create a more streamlined, effective supply chain that could have a positive impact on both costs and customer service. The areas of product development, instigating new ordering processes and inventory control can become a joint venture, and that can deliver a range of financial and operational benefits to both parties”.*

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter presents the discussion of findings, conclusions and recommendation of the study results.

#### 5.1 Summary of findings

The summary of the study was built basing on the three objectives of the study;

1. To assess the influence of information management on operational efficiency at Nice Housing of Plastics.
2. To examine the relationship between logistics management and productivity at Nice House of Plastics
3. To assess the impact of relationship management on market performance at Nice House of Plastics.

##### 5.1.1 The influence of information management on operational efficiency at Nice Housing of Plastics

The study revealed that information management provides accurate, timely and complete information for effective management of the company's operations, Nice Housing of Plastics has an efficient information management that ensures uninterrupted flow of goods and services, Nice House of Plastics manages information to improve organisational efficiency and productivity, information management helps the company to run the operations at a low cost levels, fosters innovation capacity and growth of Nice House of Plastics which leads to high performance of company and supports better management decision making.

This is in line with what Owens and Jedinak (2013) argue that the main idea underlying information management is that as organisations purposefully and systematically manage their other resources such as financial and human resources, they should do likewise for their information resources and processes. That is to say, all the classical functions of managing organisational resources must be applied to information management as well. These managerial functions include defining informational goals, providing leadership, developing informational policies, allocating appropriate resources, training staff, and evaluating information and providing feedback (Robertson, 2005). Organisations must, therefore, be responsible for holding their employees accountable to capture, manage, store, share, preserve, and deliver information appropriately and responsibly.

### **5.1.2 The relationship between logistics management and productivity at Nice House of Plastics**

The study also revealed that logistics management reduces transportation costs that may affect the operations of the company, creates visibility into the company's supply chain, helps Nice House of Plastics to achieve timely delivery of raw materials, facilitates uninterrupted flow of goods and services, Logistics management is the key to successful operations of the company's supply chain management and promotes increased customer satisfaction. Similarly, Otike, (2010) said that, consumers demand better service, and this mandate creates a need for shippers to provide fast, accurate and quality service. Good management strategy is aimed to constantly optimize transportation processes and eliminate disruptions.

### **5.1.3 The impact of relationship management on market performance at Nice House of Plastics**

The study finally revealed that Nice House of Plastics is able to reduce organizational costs due the effective management of relationship, relationship management plays a critical part in shaping innovative relationships that yield great success to the company, helps in increasing the company's operational efficiency and effectiveness, minimize the rate price volatility and promotes continuous improvement of company's operations.

This confirms findings by Mentzer and Stank (2010) who say that, the Supplier relationship management programme can eliminate many of those costs. By cooperating in a mutually beneficial relationship with key suppliers, a company can strive for cost savings over the long term. Good working relationships with suppliers do not only deliver cost savings, they reduce availability problems, delays and quality issues - and that means a better service for the consumer. As specific areas of both the supplier's and buyer's business work together, this allows both parties to better understand the inner workings of the other. In some cases, both parties are able to adapt their own working practices and operations to better accommodate the other, and that can lead to further efficiencies and operational advantages.

Customer Relationship comprises the entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction (Noble,2007 ) and (Tan, 2008) Consider customer relationship management as an important component of SCM practices. As pointed out by Day (2000), committed relationships are the most sustainable advantage because of their inherent barriers to competition. The growth of mass customization and personalized service is leading to an era in which relationship management with customers is becoming crucial for

corporate survival (Wines, 2006). Good relationships with supply chain members, including customers, are needed for successful implementation of SCM programs. Close customer relationship allows an organization to differentiate its product from competitors, sustain customer loyalty, and dramatically extend the value it provides to its customers

## **5.2 Conclusions**

The study also concludes that information management positively influences the operational efficiency at Nice Housing of Plastics. This is because it provides accurate, timely and complete information for effective management, ensures uninterrupted flow of goods and services, improves organisational efficiency and productivity, helps the company to run the operations at a low cost levels, and fosters innovation capacity and growth and supports better management decision making.

Further the study concludes that there is a positive relationship between logistics management and productivity at Nice House of Plastics. Logistics management reduces transportation costs facilitates timely delivery of raw materials, facilities uninterrupted flow of goods and services, and is the key to successful operations of the company's supply chain management and promotes increased customer satisfaction.

Lastly the study concludes that supply relationship management positive influence the performance of the companies. This is because it allows the companies to reduce the number of suppliers they purchase from - streamlining the purchasing process and making budgeting a far simpler task, create a trusting partnership between a buyer and a supplier and effective supply chain that could have a positive impact on both costs and customer service.

## **5.3 Recommendations**

The companies should coordinate all outbound logistics related activities for effective integration. This require close cross-functional and inter-organizational linkages and cooperation so as to reduce sub-optimality by reducing costs for the entire system and improving customer service delivery, all having a bearing on return on investment.

It is recommended that the companies should pay more attention to these supply chain management practices as they have a significant impact on their financial performance.

The companies should also show more commitment towards long-terms strategic and collaborative relationships with their key components suppliers as this would enhance their financial performance in the long run.



The management of the company should work hard to reduce the entire supply chain inventory holding. Keeping too much idle inventory constitutes wastes of funds to the firms in the supply chain and reduce overall financial performance including profitability. Stock levels should be minimized as much as possible through better sales forecasting, better transmission of quality real-time information across the supply chain to reduce uncertainty which is mostly responsible for firms keeping large volume of materials.

Information Technology basic courses and SCM short courses for managers of consumer goods manufacturing industry should be made mandatory by the organizations.

The company should always ensure that only qualified and professional staffs are assigned the responsibility of supply management.

The company should also put in place effective monitoring strategies the stock in order to reduce the level of stock outs costs and other costs related to the non-productive inventory.

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**APPENDICES**  
**APPENDIX ONE**  
**QUESTIONNAIRE**

This questionnaire comes from Namwanje Fatumah a student of Kampala International University, conducting an academic research on the effect of Supply Chain Management on the performance of firms with a case study of Nice House of Plastics as a requirement for the award of Bachelors of Supply and Procurement Management.

I kindly request the assistance in answering the following questions by ticking where applicable. The information will only be used for academic purposes and shall be treated with utmost confidentiality.

**SECTION A: BACKGROUND INFORMATION**

Please tick the appropriate box where applicable

1. Gender

Male  Female

2. Level of Education.

Primary  O-level  A-level  Diploma  Degree  Others

3 Marital status

Singles  Married  Separated  Divorced  Widowed

4 Age group

20-29  30-39  40-49  50 and above

*In the subsequent sections that follows, you are requested to respond to each item in subsequent sections using the following scale by ticking the appropriate option.*

5= Strongly Agree, 4 = Agree, 3= Not sure, 2 = Disagree, 1 = Strongly Disagree

**SECTION A: THE INFLUENCE OF INFORMATION MANAGEMENT ON OPERATIONAL EFFICIENCY AT NICE HOUSING OF PLASTICS**

		1	2	3	4	5
5	The information management provides accurate, timely and complete information for effective management of the company's operations					
6	Nice Housing of Plastics has an efficient information management that ensures uninterrupted flow of goods and services					
7	Nice House of Plastics manages information to improve organisational efficiency and productivity					
8	The information management helps the company to run the operations at a low cost levels					
9	The information management fosters innovation capacity and growth of Nice House of Plastics which leads to high performance of company					
10	The information management support better management decision making					

**SECTION B: THE RELATIONSHIP BETWEEN LOGISTICS MANAGEMENT AND PRODUCTIVITY AT NICE HOUSE OF PLASTICS**

		1	2	3	4	5
11	Logistics management reduces the overall transportation costs that may affect the operations of the company					
12	Logistics Management creates visibility into the company's supply chain					
13	Logistics management help Nice House of Plastics to attain timely delivery of raw materials					
14	Logistics management adopted at Nice Housing of Plastics facilities uninterrupted flow of goods and services					
15	Logistics management is the key to successful operations of the company's supply chain management					
16	Logistics management adopted at Nice Housing of Plastics promotes increased customer satisfaction					

**SECTION C: THE IMPACT OF RELATIONSHIP MANAGEMENT ON MARKET PERFORMANCE AT NICE HOUSE OF PLASTICS**

		1	2	3	4	5
17	The company is able to reduce organizational costs due the effective management of relationship					
18	Relationship management plays a critical part in shaping innovative relationships that yield great success to the company					
19	Relationship management helps the company increase the company's operational efficiency and effectiveness					
20	Nice House of Plastics enters into a long term relationship with the suppliers to minimize the rate price volatility					
21	Nice House of Plastics enters into a relationship management to promote continuous improvement of company's operations					



## APPENDIX TWO

### INTERVIEW GUIDE

Does Nice Housing of Plastics has in place an efficient information management that ensures uninterrupted flow of goods and services?

How does managing information to improve organisational efficiency and productivity of the company?

Is logistics management a key to successful operations of the company's supply chain management?

How does logistics management promote increased customer satisfaction?

How does relationship management help the company increase the company's operational efficiency and effectiveness?

Does Nice House of Plastics enter into a long term relationship with the suppliers with the aim of minimizing the rate price volatility?

How does Nice House of Plastics promote continuous improvement of its operations?