KAMPALA INTERNATIONAL UNIVERSITY

INVENTORY MANAGEMENT AND ORGANISTAIONAL PERFORMANCE

ACASE STUDY: VILLAGE MALL SUPERMARKET BUGOLOBI

PRESENTED

BY

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ARESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND MANAGEMENT IN PARTIALFILFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR'S DEGREE IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT OF KAMPALA INTERNATIONAL UNIVERSITY

NOV, 2016

DECLARATION

I Akol Patrick declares that this research work on the topic "inventory management and organizational performance" a case study at Village Mall Super Market Bugolobi branch in Kampala district, is my original work which has never been submitted to any institution for the award of bachelor's degree.

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APPROVAL

I declare that this research on the topic "inventory management on organizational performance of stores department case study Village Mall super market Bugolobi branch central Ugandan Kampala capital Nakawa division" is the original work of Akol Patrick and has been done under my supervision and it's ready for submission to Kampala international University (KIU) with my approval.

SIGNATURE: .....

NAME:.....

SUPERVISOR:.....

DATE: .....

DEDICATION

I dedicate this booklet to my beloved father Mr.Opio Robert and my beloved aunty Apio Esther who tirelessly paid my tuition and provided me with basic needs and not forgetting my beloved mother Mrs. Apolot Rose.

ACKNOWLEDEGMENT

First and foremost, I would like to thank the almighty God for having seen me through this research work and enable me to successfully accomplish it.

I would not have the progress if it was not my supervisor Mr. Masaba Richard; I appreciate the contribution and his sacrificial time he rendered in the production of the work.

I would also like to extend my thanks to the management of Village Mall supermarket Bugolobi Branch who provided me with data to enable the successful completion of this work.

My special thanks go to my beloved parents Opio Robert and Apolot Rose for all the financial support invested in me.

I would also like to extend my sincere appreciation toall myfriends at the same time my friends especially AkulloAugustine,NabumbaStella, Brian,OkulluPatrick,Owange James, komugisa Lillian to mention but a few for the powerful and prayerful contribution and precipitation to the completion of my work.

My special thanks also go to the administration of Kampala International University and the department of Procurement for accepting to work hand in hand.

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ABBREVIATION/ACRONYMS

1. FIFO First in First out
2. JIT Just in Time
3. EOQ Economic Order Quantity
4. MRP Material requirement planning
5. VMI Vendor Material Inventory
6. RR Response Rate
7. LIFO Last in First Out
8. KIU Kampala International University.
9. MMI Minimum Maximum Inventory

ABSTRACT

The study aims at finding out the effect of inventory management on the performance of stores department case study Village Mall super market Bugolobi branch, in Kampala district.

Chapter one talks about the data to be collected using the various methods mentioned in chapter three would are analyzed using appropriate formulae statistically known in order to establish the relationship between the two variables. The objectives of the study was to identify techniques of inventory management used at Village Mall super market, to established the level of performance of stores department and to find out the relationship between inventory management and performance of stores department at Village Mall super market Bugolobi branch. The research questions would be derived from the objectives in order to guide the study.

Chapter two handles the literature reviews from different authors through text books and information obtained from magazines, newspapers, Journals auditor general's report and internet. This formed basis for identification of gaps in the tropical area of the study.

Chapter three contains the description of how the study would be carried out. It presents the research design, population and sample size, sampling techniques, source of data, and method of data collection, data collection instruments, procedures, analysis and presentation of the data.

Chapter four consists of presentations, analysis and discussion of the findings, the empirical results were analyzed and presented objective by objective.

Chapter five contains the description of the summary, conclusion, recommendation and limitation of the findings. This derived the researchers to summary and concludes objective by objective and got solutions to the limitation of the findings.

CHAPTER ONE

1.0 INTRODUCTION

This chapter consists of the back ground of the study, statement of the problem, purpose of the study, research objectives, research questions, scope of the study, and significance of the study.

1.1 BACKGROUND OF THE STUDY

The study formulates inventory management as one of the stores department functions.

Inventory management is a focus of evaluating and improving internal processes and external relationships whether practicing Just in time inventory or consignment, out sourcing supply procurement, utilization of services of the group, purchasing organizations information technology systems, servicing contract negotiations and ensuring one's own interest are kept at the fore. Sarah Lamberti (2009)

Inventory management is the overseeing and controlling of its ordering, storage costs and use of components that a company will use in the production of items its state and overseeing of quantities as well of finished products for sale. According to Accounting principle board (2012),

In traditional setting, inventories of raw materials, work in progress, components and finished goods are kept as buffer against the possibility of running out of needed items. However, large buffer inventories consume valuable resources and generate hidden costs consequently many companies have changed their approach to production and inventory reduction has become the primary target, as is often the case in Just in Time systems where raw materials and parts are purchased or produced in time to be used at each stage of the production process and this brings considerable costs savings from reduced inventory levels. Chen et-al (2005),

The role of inventory management is to ensure faster inventory turnover and increases it by ten and reduce costs by 10%-40% and the so called inventory turnover is not yet right to sell products on shelves based on the principle of FIFO cycle Kenneth Iysons and Nicholas Gill`igham (2003).

At Village Mall supermarket, inventory management is carried out using different methods and among them includes the following just in time technique which seeks to deliver inventory to the production floor, Economic order quantity which seeks to minimize costs

and maximize revenue, vender material inventory, and material requirement planning among others.

Performance is regarded as the main stream for development in stores department. A truly effective inventory management system minimizes the complexities involved in planning, exciting and controlling a supply chain network which is critical to business performance, Laua and Snell(2006).

It is argued that from a financial perspective, inventory management is no small matter. Offer times, inventory is the largest asset item in stores or distributor's balance sheet. As a result, there should be a lot of management emphasis on keeping inventories.

Stores performance refers to the process of planning, controlling, and monitoring of stocks and space within, to receive the incoming materials, keep them for as long as they are not required for use (custody) and then to move them out of stores for use or issue. Inventory management therefore is receiving of incoming consignment or goods, safe keeping of goods, disposal of undesirable goods and maintenance among others Public procurement and disposal authority (2003).

Stores performance is where the stores departments join and work together to achieve the objectives of an organization and therefore the information for the stores is combined in one platform so that there is easy benchmarking and comparison of the stores and decide upon where to spend additional resources and where to make improvements Nedap(2004).

In a traditional point of view, stores performance is regarded and measured where there is analysis of stores record of activities and or by a period of time and the application of some formulae or ratio analysis designed to highlight any chances to make sure that under the stores performance, activities are well coordinated and work together to ensure that there is efficiency for example, average stock levels, annual operating costs of stores function, proportion of stock which is slow moving, rate of turnover of stock.

Stores performance can be assessed and efficiently done through ensuring that operating costs are kept very low, employing efficient mechanical handling equipment's ensuring the available spaces is efficiently utilized, centralized where possible for example Village Mall as a supermarket, can decide to be branches or sub stores on a retail basis issuing goods directly to the users.

1.2 STATEMENT OF THE PROBLEM.

Inventory management at Village Mall supermarket is seen as the effective way of handling and organizing items in the organization and this can be evidenced by proper arrangement of stocks which greatly minimize the associated costs and costs on capital invested.

However, there are a lot of inefficiencies at Village Mall and this has been brought about by poor inventory quantities and qualities, stock holding costs and this can be caused by failure to ensure proper stock control and lack of proper planning to ensure that there is effective operational systems and management in the stores department. Unless otherwise this can lead the supermarket to face the mentioned costs, if management does not clear the problems in time. However techniques like Just in time which seeks to deliver inventory to the production floor in the right time and place, Economic order Quantity which seeks to minimize costs and maximize revenue, vender material inventory, and material requirement planning and so on can be applied to solve the above problems. Hence due to lack of these techniques, this has driven the researcher to go and investigate the effect of inventory management on the performance of stores department in Village Mall supermarket in Bugolobi.

1.3 PURPOSE OF THE STUDY

The purpose of the study is to examine the relationship between inventory management and organization performance at Village Mall supermarket in Bugolobi.

1.4 OBJECTIVES OF THE STUDY

1) To identify different techniques of inventory management used at Village Mall supermarket in Bugolobi.
2) To establish the level of performance of stores department at Village Mall supermarket in Bugolobi.
3) To find out the relationship between inventory management and performance of stores department at Village Mall supermarket in Bugolobi.

1.5 RESEARCH QUESTIONS.

1) What are the different techniques of inventory management used at Village Mall supermarket?
2) What is the level of performance of stores department at Bugolobi supermarket?
3) What is the relationship between inventory management and performance of the stores department?

1.6 THE SCOPE OF THE STUDY

1.6.1 CONTENT SCOPE.

The study will be restricted on the effect of inventory management on the performance of stores department as the objective of the study that is to identify different techniques of inventory management used at Village Mall supermarket, to establish the level of performance of stores department at Village Mall supermarket and to find out the relationship between inventory management and stores department at Village Mall supermarket in Bugolobi.

1.6.2 GEOGRAPHICAL SCOPE

The study will be conducted at VillageMall supermarket which is one of the supermarkets found in Central Uganda, Kampala district, Bugolobi and this is because it's near and can easily be accessed and the information can easily be got.

1.6.3 TIME SCOPE

The study will be carried out within a period of 5 months.

1.7 SIGNIFICANCE OF THE STUDY

The study will help in assuring that the organization is supplied with the right inventories taking into account the purchasing principles for example at the right time.

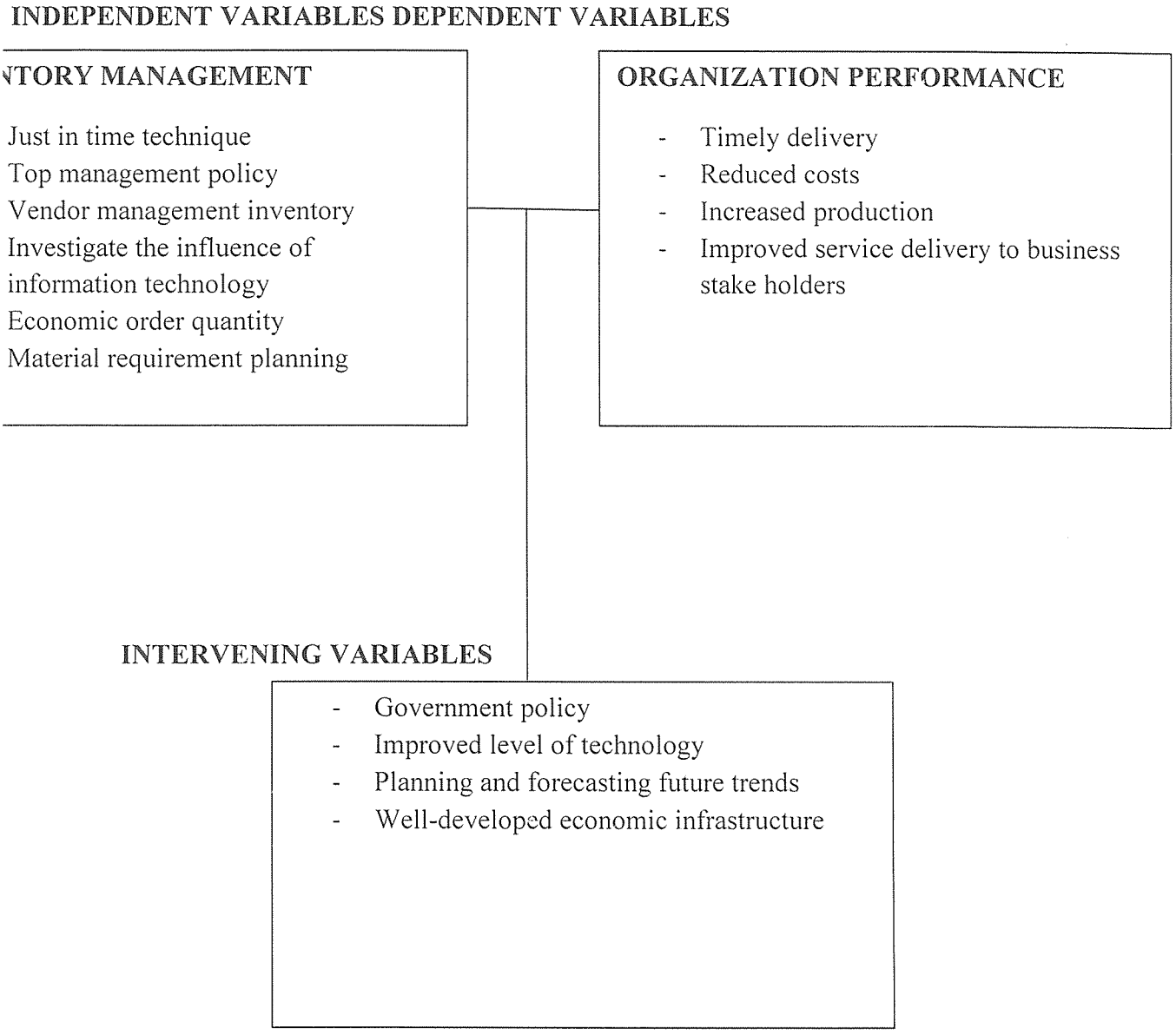
The study will help the government to come up with policies, procedures and solution to problems affecting such organization in case of public entities for example levying fair taxes to companies.

The study will help the research to gain knowledge especially in areas of education and therefore equips her with necessary skills and knowledge in the field of research.

The study will help other researchers to use it as references especially when they are conducting related research findings.

1.8 THE CONCEPTUAL FRAME WORK

The relationship between inventory management and organizational performance in village moll supermarket is summarized in figure 1 below.



Interpretation of the conceptual framework

Different services provided in supply chain such as middlemen, distribution and retailers help to influence the organization performance in the supply chain process.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter focuses on the review of the related literature in line with the study variables (inventory management and organizational performance). Includes the literature reviewed on identifying the different techniques on inventory management, establishing the level of performance of stores department and finding out the relationship between inventory management and performance of stores department. This literature was obtained from text books, journals, and internet.

2.1 INVENTORY MANAGEMENT

N.A Salemi (2006), defines inventory management as, it is a way of control to ensure that the issues are properly authorized, purchased are recorded well stock level are maintained and they are always replaced back in time.

2.1.1 INVENTORY MANAGEMENT TECHNIQUES.

Leeders / Fearon(2004), points out purchasing systems as one of the techniques of controlling inventory. The terms stockless purchasing and system contracting are often used interchangeably. Actually, stockless purchasing systems are special subset of system contract where the purchasers stock is taken over by a supplier. The supplier's delivery system is so reliable and fast that there is no need for any safety stock on the purchaser's premises. Typical applications include but are not limited to office, electrical, plumbing and building maintenance supplies of a relatively standard nature. Coupled with ADI and Direct delivery to the place of use, the stockless systems not only help reduce inventory levels, but also purchasing, receiving, handling invoicing and payments costs.

Determining order quantities and inventory levels.

In the following sections, some relatively simple theoretical models have been used to determine order quantities are used. The application of these depends on whether the demands or usage is dependent or independent. Dependent demand means the item is part of larger comments products and its users are dependent on the production schedule for the larger comments. Independent demand means the usage of the inventory item is not driven by the production schedule.Lyson and Farrington(2007)

Minimum maximum inventory levels.

Theoretically, the maximum inventory level could be zero. The last unit of the inventory could be used at the moment a new shipment arrives. The maximum inventory would then be the correct ordering quantity or economic order quantity. This buffer system is not as popular as it once was for it tends to encourage the maintenance of excess inventories.N.A Salemi(2006)

Inventory recording techniques

Inventory recording is undertaken to reduce the errors relating to inventory accountability and accuracy in a firm's investment in inventories. It indicates the stock accountability is important in any firm as it registers the changes in the level of stock held to realize maximum value and avoid typing up funds. Inventory recording may takethe form of stock taking and sport checks which are processes of physically counting, weighing or otherwise measuring the value of each item in stock and recording system reduce the discrepancies between stock in records and the physical stocks. Inventory storage and issues stock is a vital tool to achieve an efficient inventory management system. Since there is storage and issues of inventory, the cost of obsolescence andfraud, management should ensure performance of all storage and issue functions. Wood Frank(2009)

Distribution resource planning techniques

Jones(2005)Says that DRP is a system for forecasting or projecting requirements for finished products at the point of demand and is a pull approach to replenishment in that, it depends on awareness of the customer's requirements which pulls the rest of the system through the distribution.DRP is an inventory control and scheduling techniques that applies

MRP principles to distribution inventories and he continues to say DRP may also be regarded as a method of handling stock replenishment in a multi environment .Farrington(2006)

Enterprise resource planning (ERP) technique

Farrington (2005) says ERP is an approach whereby the resource requirements organization with reference to those of itsneighbor in the supply chain can be taken into accounts in the planning, ERP is a multi-mode suit of software operating on a company wide basis, which might be concerned with all aspect of the business management including purchasing, inventories, sales and cash flows. Layson (2006) states thatERP is a system that is supported

by multimodal application software that integrates all the departments or functions of an enterprise. He mentioned the advantages of ERP as there are improved customers services, better inventory accuracy and reduced setup times that facilitate organizational needs.

Material requirement planning(MRP)techniques

Lysons (2006) describes this as a technique that assists in the detailed planning of production. The aim is to make available either the purchase or company assemblies just before they are required by the next stage of production or delievery.MRP enables orders to track throughout the whole process.Baily(2005), says MRP is a standard system for calculating the quantities of components, sub-assemblies. He continues to say that MRP is based on customers' orders, manufacturing policy and sales forecasts.

Stock valuation techniques

According to wood Frank (2009)the way materials are valued amplifies the firms reported profit and the material usage and balance therefore different inventory profit reported by the firms. The different material valuation includes; last in first out (LIFO), First in First out(FIFO), average cost method and net realizable value. The chosen materials valuation method should be used consistently in order to meet the requirements of the law of consistency policy of accountability and change should be reported and it's impacts on the reported profits. Firms should therefore identify and employ the stock valuation method which is in line with their objectives and the legal accounting frame work.

2.2 LITERATURE REVIEW ON STORES PERFORMANCE.

Stores performance refers to the process of planning, controlling and monitoring of stocks and the space within to receive the incoming materials, keep them for as long as they are required for use(Custody)and then to move them out of the stores for use or issue. Performance therefore is receiving of incoming consignment or goods, safe keeping of goods, disposal of undesirable goodsand maintenance amongothers.P.Gopalakrishnan (2006)

Performance is regarded as the main stream for development on the stores department. A truly effective management inventory system minimizes the complexities involved in the planning, executing and controlling supply chain network which is critical to business success. The opportunities available for improving the company's inventory management can significantly improve the bottom line business performance. Lava and Snell (2006)

In a traditional point of view, stores performance is regarded and measured where there is analysis of stores records of activities or by a period of time and the application of some formulae or ratios analysis designed to highlight any changes to make sure that under the stores performance, activities are well-coordinated and work together to ensure that there is efficiency for exampleaverage stock levels, annual operating costs of stores function, proportion of turnover of stock NK Nair(2007)

Store performance is where the stores join and work together to achieve objectives of an organization and therefore the information of the stores is combined in one platform so that there is easy bench marking and comparison of the stores and decide upon where to spend additional resources and where to make improvement Nedap(2004)

Retail analysis gives your insight in to the arrangement of topics that influence your bottom line .You can monitor and analyze your visitors numbers, the dwell time, staff levels and staff planning and energy consumption in each store. As the information for your stores is combined in one platform, you can easily and compare stores and decide upon where to spend additional resources and where to make improvements.

Fast insight, fast actions retail analytic is designed as a management tool at the local and inter- national level to compare and bench mark the performance of single or multiple stores. Assigned managers can see the information of all stores in their areas. With the information provided you can take the right action fast as you are notified much faster about possible performance improvement or security risks VanWeele(2005).

2.3 RELATIONSHIP BETWEEN INVENTORY MANAGEMENT AND STORE PERFORMANCE

There has been proper assets ratio in most in organizationdue to proper inventory management, transmission line to these areas as most of the areas are separated from the mainland and from each other by wide rivers and creeks. He urged that the basic objectives of any inventory management is to determine the right quantity to be procured in order to release more productive use and the store department is therefore accused of both stock out as well as investment in the inventories.Gopalakrishnan(2006).

Kenneth Lyson(2010), argues that the performance of stores cannot be efficiently and effectively achieved unless the use of a proper inventory techniques are used and suggested that these inventory management techniques include ABC analysis, Barcoding, radiofrequency, identification and identifies a number of performance

Indicatorswhich include lead time, service levels, and the rate of stock turn, stock out in a given period and stock cover and that safety stock are needed to cover shortages to the agreed lead time being exceeded or actual demand being greater than the anticipated.

2.4 SUMMARY AND CONCLUSIONS LITERATURE REVIEW

From the above literature ,it is noted that inventory management influences stores performance in that inventory management determines the right quantities to be purchased in order to release more productive use and store department and is accused of both stock out and investments in inventories ensures efficiency in stores, capital tied up among others. Therefore it should be clearly noted that stores performance depends on inventory management.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter describes the research design, study population, sampling techniques, sample size, sources of data, data collection methods, data collection instruments, data collection procedures, data presentation analysis, ethical considerations, limitation and solutions.

3.1 RESEARCH DESIGN.

This was a plan or strategy that was used to investigate a study problem. The study used descriptive research design. This kind of research design aimed at generating information after the incident had occurred. The research design looks at the reasons as to why the situations behave the way it was. The design exploited both qualitative and quantitative approaches. Qualitative approach method included tools for visualizing and analyzing the decision makers' perception of the problem situation and tools for brainstorming about possible alternative solutions. For example the use of interviews. The use of quantitative approaches includes a wide variety of approaches. For example use of descriptive statistics generated with frequency tables, graphs and charts. The sources used for this study consisted of scientific referred to, Journals, text books and doctoral dissertations. These approaches used were adopted to enable the researcher get and analyze relevant information concerning people's opinions about the effect of inventory management on the performance of stores department at Village Moll supermarket Bugolobi.

3.2 STUDY POPULATION

The population study would be 72 composed of 5 management staffs, 10 stores department, 20 attendant and 37 customers.

3.3 SAMPLING TECHNIQUES

3.3.1 SIMPLE RANDOM TECHNIQUE

It is one in which each possible sample of different units has equal chance of being selected which also implies that every member of the population has an equal chance of selection in the sample. Simple random technique applies in the following ways, first you need the sampling frame, each member on the list is assigned a code number, each code number is written on a piece of paper which is folded and paced in box or basket, ruffled and pieces of papers are picked from the box randomly. In this type of sampling, sampling is done without replacement so that no unit can appear more than once in a circle. The method/technique

advantageous is that it requires minimum knowledge about the population in advance; the method is free from classification errors and can easily be computed as accurate of the estimate easily assessed. The researcher used sample random technique because the sampling units don't have the same number of elements that is male and female informants and so their sample will be considered the best in case an individual gets an equal opportunity to be included in the sample.

3.3.2 STRATIFIED SAMPLING TECHNIQUE

Refers to a sampling design where the entire population is divided into groups of strata in such a way that there is a great nonentity as possible within each strategy. The sample is then taken by selecting a certain number of units from each stratum. The advantage of stratified technique is that it is superior to a simple random sample because it ensures representation of all groups. A random stratified sample can be kept small in size without losing its accuracy. In case of stratified sampling, the characteristics of each stratum can be estimated and hence comparisons can be made.

3.3.3 CONVENIENCE SAMPLING TECHNIQUE

The researcher would also use convenience technique of sampling respondents. This is also known as "**accidental "sampling.** In this sampling, the researcher studies all those persons who are more conveniently available or who accidentally come in his/her contract during the time of the research study. The technique is advantageous in that it is quick and economical.

3.4 SAMPLE SIZE

From the above population the sample size would be 37 respondents out of 72 as represented below.

Table 1: showing sample size of respondents.

Category of respondents	Population	Sample size
Management staffs	5	2
Stores department	10	5
Attendants	20	10
Customers	37	20
Total	**72**	**37**

Source: Primary data

3.5 SOURCES OF DATA

Data would be obtained by using both primary and secondary sources.

3.5.1 PRIMARY DATA

This is data which are collected from the field for the first time and it's original in nature. This information is obtained by the researcher directly by the subject it is then organized and reported directly to the reader through a research report. Data would be obtained from questionnaires and interviews, the information would be updated and it wouldsave time since interviews would be conducted orally.

3.5.2 SECONDARY DATA

This refers to the data that has already been collected by someone else available for analysis. The data would be obtained by using journals, texts books, internet, and magazines etc. The researcher would use this source because it is time saving and information can be easily got from this source under related topics.

3.6 METHODS OF DATA COLLECTION

Below are the methods that would be used by researcher during data collection.

3.6.1 QUESTIONNAIRE METHOD.

It consists of a number of questions printed or typed in a form of set of forms. This is normally emailed to the respondents who are expected to read and understand the question and write down the reply in space meant for purpose in questionnaire itself. The respondent would have answered the questions themselves. There are two types of questionnaires namely open ended and closed ended questionnaires. Open ended is where the respondent is to give

his/her own view of the object while closed ended questionnaires are alternative answers presented before the respondent. This method would be used by the researcher because it is free from bias which might be introduced by the interviewer.

3.6.2 INTERVIEW METHOD

This method of data collection involves presentation of oral-verbal, steam line and reply in terms of oral-verbal response. The researcher would use this method of data collection because she needs the quality and accurate information, the method can be used with illiterate respondents, information is likely to be more correct than that got from the questionnaire and it allows flexibility. However it is costly to meet the respondents and takes a lot of time due to face to face interaction.

3.7 DATA COLLECTION INSTRUMENTS

The instruments that would be used to collect the data include;

3.7.1 QUESTIONNAIRE TOOL

The researcher would formulate questions related to the effect of inventory management on the performance of stores department. The researcher would use closed ended questions expecting results from them.

3.7.2 INTERVIEW TOOL

The researcher would get the selected sample and use interview tool to guide the researcher in questioning the respondents. The researcher expects to get a lot of information through consultation.

3.8 DATA COLLECTION PROCEDURES

The researcher would start by identifying the problems statements and formulating a topic (The effect of inventory management on the performance of stores department). The researcher would take it to the supervisor for approval and then request for introductory letter from research coordinator which would be given to the management of Village Moll supermarket Bugolobi.

The researcher would formulate questionnaires which would be taken for approval and then distributed to the respondents and those who would not be having time would be interviewed.

The details would be tabulated, analyzed and later interpreted in order to come up with the conclusion towards the relationship and then a report would be written.

3.9 DATA PRESENTATION AND ANALYSIS.

The researcher would record only data which is relevant to the objectives of the study in order to ensure consistency and accuracy of information required. Then the researcher would have to code and edit the data gathered to establish and ensure that the data gathered is in a logical manner and would be presented using percentage tables for easy analysis.

3.10 LIMITATION OF THE STUDY AND SOLUTION

The researcher encountered a number of limitations for example:

The inability of the respondents to adequately fill the questionnaires as required.

The respondents' feared face to face interaction hence some facts were hidden.

There was delay in receiving the questionnaires and some questionnaires were not answered hence made it difficult to get the needed information on time.

The following are the way forward for the above limitations;

Immediate follow up of the questionnaires was made to solve the issue of delay.

The respondents who were an able to fill the questionnaires were interviewed.

Various sources of data were collected from the management staffs attendants and stores department to solve the problem of out dated information.

CHAPTER FOUR

PRESENTATIONS, ANALYSIS AND DISCUSSIONS OF FINDINGS.

4.0 INTRODUCION.

This chapter presents the response rate, background characteristics of the respondents and the empirical results presented objective by objective. The presentation of the findings took two formats that is the statement format and the tabular format. In this regard the tabular format was used for countable variables and statements were used to present the responses on respective variable under consideration.

4.1 RESPONSE RATE.

The study was based on a sample size of 37 respondents consisting of a cross section of management staffs, stores department, attendants and the customers of Village Moll super market Bugolobi branch.

The researcher managed to get out of 37 questionnaires issued only 30 were received back which implied that the response rate is 81%. This was because some respondents were not able to fill the questionnaires due to other commitments.

Response rate $= \frac{\text{number of respondents}}{\text{Sample size}} \times 100$

RR =30/37x100

RR = 81%

4.2 BACKGROUND CHARACTERISTICS OF THE RESPONDENTS.

The background data was sought about Gender, age bracket, marital status, education level and working period in the supermarket were the respondents are.

4.2.1 Gender Distribution.

Table 2:Distribution by Gender.

Gender	Frequency	Percentage
Male	10	33
Female	20	67
Total	**30**	**100**

Source: primary data

According to the gender finding, 33% of the respondents were male and 67% were female. This showed that the supermarket employed more females compared to the males.

The more numbers of females compared to male implied that personnel with relevant skills especially in the supermarket composed of only females thus this helped the researcher to succeed in her quest for information since the females have better hospitality compared to males.

4.2.2 Age bracket

Table 3: Age bracket of the respondents.

Age group	Frequency	Percentage
Between 20-30 years	15	50
Between 31-40 years	10	33
Between 41-49 years	5	17
50 years and above	0	0
Total	**30**	**100**

Source; primary data

The findings revealed that 50% of the respondents were between 20 to 30 years, 33% were between 31-40 years, 17% were between 41-49 years, and 0% were above 50 years.

This indicated that the supermarket employed more of the youth than the elderly thus this helped the researcher to get viable information about the supermarket since majority of the respondents were still within their active age and found of innovative ideas.

4.2.3 Marital status.

Table 4: marital status of the respondents.

Marital status	Frequency	Percentage
Single	21	70
Married	09	30
Total	**30**	**100**

Source: primary data

The findings revealed that 70% of the respondents were single and 30% of the respondents were married.

This indicated that the supermarket employed more youth/single employees than married employees because they do have less responsibility at home compared to the married employees.

4.2.4 Education level

Table 5: Education level of the respondents

Education level	Frequency	Percentage
Degree	10	33
Diploma	14	47
Certificate	6	20
None	0	0
Total	**30**	**100**

Source; primary data

According to the findings, majority of the supermarket employees were from tertiary institutions with 47% rate, 33% attained degree and 20% attained certificates.

The results of the findings implied that the supermarket majority relied on the employees who trailed from the tertiary institutions thus this helped the researcher in her search for information because the majority of the respondents were willing and not too proud of themselves to give the required information.

4.2.5 Work duration.

Table 6: work duration of the respondents.

Responses	Frequency	Percentage
Below one year	10	33
1-2 years	20	67
None of the above	0	0
Total	**30**	**100**

Source: primary data

From the above table, findings showed that 33% of the respondents had served the super market for less/below than one year, 67% served for 1-2 years and 0% served as none of the above.

This therefore implied that most of the employees involved in the supermarket were experienced hence performing their duties with confidence and perfection the data collected by the researcher was reliable data because the respondents were well versed with the super market activities due to their long stay in the company.

4.3 INVENTORY MANAGEMENT.

The empirical results were analyzed and presented objective by objective as follows.

4.3.1 Most personnel at Village Moll super market are aware of the effectiveness of inventory management.

A question as to whether inventory management was effective in Village Moll supermarket was put across to the respondents. The reason was to know whether inventory management was effective in Village Moll supermarket below was the response.

Table 7: shows how inventory management was effective in Village Moll super market

Response	Frequency	Percentage
Strongly agree	18	60
Agree	7	23
Strongly disagree	3	10
Disagree	2	7
Not sure	0	0
Total	**30**	**100**

Source: primary data

From the above table, 60% of the respondents strongly agreed that inventory management has been effective, 23% agreed, 10% strongly disagreed, 7% disagreed and 0% were not sure.

This implied that inventory management had been effective thus the researcher's objective of ascertaining the role of different stake holders in inventory management being achieved.

4.3.2 Inventory management is the overseeing and controlling of the ordering, storage and use of components that a company will use in the production of items, it will sell as well as the overseeing and controlling of quantities of finished products for sale in Village Moll super market.

Table 8: shows how inventory management was the overseeing and controlling of the ordering, storage and use of component.

Response	Frequency	Percentage
Strongly agree	7	23
Agree	15	50
Strongly disagree	3	10
Disagree	3	10
Not sure	2	7
Total	**30**	**100**

Source; primary

The findings revealed that 23% of the respondents strongly agree with the statement, 50% agreed, 10% strongly disagreed, 10% disagreed and 7% were not sure with the statement.

This implied that majority of the respondents agreed with the statement that inventory management was the overseeing and controlling of the ordering storage and use of components that a company would use in the production of items hence the researcher's objective being achieved.

4.3.3 There are very many techniques of inventory management used at Village Moll supermarket.

Table 9: shows the various techniques of inventory management used at Village Moll supermarket.

Response	Frequency	Percentage
Strongly agree	21	70
Agree	5	17
Strongly disagree	0	0
Disagree	4	13
Not sure	0	0
Total	**30**	**100**

Source: primary data

From the above table, 70% of the respondents strongly agreed that there are very many techniques of inventory management, 17% agree. 0% strongly disagree. 13% disagree and 0% where not sure.

This implied that Village Moll supermarket uses various techniques of inventory management thus ascertaining the researcher's objectives.

4.3.4 Successful inventory management involves creating a purchasing plan that would ensure that items are available when they are needed.

Table 10: shows successful inventory management involves creating a purchasing plan that would ensure that items are available when they are needed.

Response	Frequency	Percentage
Strongly agree	18	60
Agree	6	20
Strongly disagree	0	0
Disagree	3	10
Not sure	3	10
Total	**30**	**100**

Source: primary data.

From the above table, 60% of the respondents strongly agree that successful inventory management involves creating a purchasing plan that would ensure that items are available when they are needed, 20% agree, 0% strongly disagree, 10% disagree and 10% where not sure.

This implied that the majority of the respondents strongly agreed with the statement thus ascertaining the researcher's objective.

4.3.5 Does inventory management lead to the performance of store department in Village Moll super market Bugolobi?

Table 11: shows how inventory management led to the performance of stores department.

Response	Frequency	Percentage
Strongly agree	3	10
Agree	18	60
Strongly disagree	0	0
Disagree	4	13
Not sure	5	17
Total	**30**	**100**

Source: primary data

The findings revealed that 10% strongly agreed with the statement 60% agreed, 0% strongly disagreed, 13% disagreed and 17% were not sure with the statement that inventory management leads to the performance of stores department in Village Moll super market.

This implied that inventory management can lead to the performance of stores department because most of the respondents agreed with the statement hence achieving the researcher's objectives.

4.4 STORES PERFORMANCE.

The empirical results were analyzed and presented objective by objectives as follows.

4.4.1 Stores performance was defined as a measurable value that demonstrates how effective the organization's store was achieving its key objectives.

Table 12: shows measureable value that demonstrates how effectively the organization's store was achieving its key objectives.

Response	Frequency	Percentage
Strongly agree	7	23
Agree	10	33
Strongly disagree	5	17
Disagree	0	0
Not sure	8	28
Total	**30**	**100**

Source: primary data

The findings revealed that 23% strongly agreed, 33% agreed, 17% strongly disagreed,0% disagreed and not sure were 27% with the statement that stores performance was defined as a measurable value that demonstrate how effectively the store organizations stores is achieving its key objectives.

This implied that the few respondents agreed with the statement thus ascertaining the researcher's objectives.

4.4.2 There are several store performance indicators that measure the effectiveness of stores.

Table 13: shows several store performance indicators that measures the effectiveness of stores.

Response	Frequency	Percentage
Strongly agree	10	33
Agree	10	33
Strongly disagree	8	27
Disagree	2	7
Not sure	0	0
Total	30	100

Source: primary data

From the above table 33% strongly agree with the statement that there are several store performance indicators that measures the effectiveness of stores, 33% agree, 27 strongly disagree and 0% were not sure

This implied that majority of the respondents strongly agreed and agree with the statement as seen from the above table.

4.4.3Most personnel at Village Moll supermarket have awareness in the effectiveness of stores performance.

Table 14: shows how most personnel at Village Moll supermarket have awareness in the effectiveness of stores performance.

Response	Frequency	Percentage
Strongly agree	15	50
Agree	10	33
Strongly disagree	5	17
Disagree	0	0
Not sure	0	0
Total	**30**	**100**

Source: primary data

The findings revealed that 50% of the respondents agree with the statement that most personnel's at Village Moll super market have awareness in the effectiveness of stores

performance, 33% agreed, 17% strongly disagreed, 0% disagreed and 0% were not sure of the statement.

This implied that the majority of the respondents strongly agreed with the awareness in the effectiveness of stores performance.

4.4.4 Village Moll supermarket benefit from the performance of stores department.

Table 15: shows how Village Moll supermarket benefits from the performance of stores department.

Response	Frequency	Percentage
Strongly agree	20	67
Agree	10	33
Strongly disagree	0	0
Disagree	0	0
Not sure	0	0
Total	30	100

Source: primary data

From the above table 67% of the respondents strongly agreed with the statement that Village Moll supermarket benefits from the performance of stores department, 0% strongly disagreed, 0% disagreed and 0% was not sure.

This implied that Village Moll super market was benefiting a lot from the performance of stores department because the majority strongly agreed with the above statement.

4.4.5 It is easy to determine the level of performance of stores department at Village Moll super market.

Table 16: shows how easy it is to determine the level of performance of stores department at Village Moll supermarket.

Response	Frequency	Percentage
Strongly agree	5	17
Agree	7	23
Strongly disagree	4	13
Disagree	5	17
Not sure	9	30
Total	30	100

Source: primary data

From the table above, 17% strongly agreed with the statement that it's easy to determine the level of performance of stores department in Village Moll supermarket, 23% agreed, 13% strongly disagreed, 17% disagreed and 30% were not sure with the statement.

This implied that the percentage of the respondents who agreed to the statement was higher then followed by those respondents who were not sure of the statement.

4.5 THE RELATIONSHIP BETWEEN INVENTORY MANAGEMENT AND PERFORMANCE OF STORES DEPARTMENT

The empirical results were analyzed and presented objectives by objectives as shown below.

4.5.1 Stores performance is influenced by inventory management at village moll supermarket.

Table 17: shows how stores performance was influenced by inventory management at village moll supermarket.

Response	Frequency	Percentage
Strongly agree	3	10
Agree	15	50
Strongly disagree	8	27
Disagree	0	0
Not sure	4	13
Total	30	100

Source: primary data

The findings revealed that 10% strongly agreed, 50% agreed, 27% strongly disagreed, 0% disagreed and 13% were not sure with the statement that stores performance was influenced by inventory management at Village Moll supermarket.

This implied that stores performance was being influenced by inventory management Village Moll super market because the majority of the respondents agreed with the statement.

4.5.2 There is a relationship between inventory between inventory management and stores performance department.

Table 18: shows the relationship between inventory management and stores performance department.

Response	Frequency	Percentage
Strongly agree	10	33
Agree	9	30
Strongly disagree	0	0
Disagree	3	10
Not sure	8	27
Total	**30**	**100**

Source: primary data

From the above table, 33% strongly agreed with the statement that there was strong relationship between inventory management and stores performance department,30% agreed. 0% strongly disagreed, 10% disagreed and 27% were not sure with the statement.

This implied that the relationship between inventory management and stores performance was greatly seen at Village Moll super market because the majority of the respondents agreed with the statement.

4.5.3 The relationship between inventory management and stores performance should be maintained.

Table 19: shows how the relationship between inventory management and stores performance should be maintained

Response	Frequency	Percentage
Strongly agree	19	63
Agree	5	17
Strongly disagree	3	10
Disagree	0	0
Not sure	3	10
Total	30	100

Source: primary data

From the table, 63% of the respondents strongly agreed with the statement, 17% agreed, 10% strongly disagreed, 0% disagreed and not sure was 10%, that the relationship between inventory management and stores performance should be maintained.

Following the above table majority strongly agreed with the statement that is inventory management and stores performance should be maintained thus ascertaining the researcher's objectives.

4.5.4Inventory management is the only factor that influence stores performance

Table 20: shows how inventory management was the only factor that influences stores performance

Response	Frequency	Percentage
Strongly agree	5	17
Agree	10	33
Strongly disagree	4	13
Disagree	6	20
Not sure	5	17
Total	30	100

Source; primary data

Following the table above 17% strongly agreed, 33% agreed, 13% strongly disagreed, 20% disagreed and 17% were not sure with the statement that inventory management was the only factor that influences stores performance.

This implied that the majority with percentage of 33 agreed with the statement over the minority responses who were divided.

4.5.5 Does the use of inventory management lead to high level of stores performance at Village Moll super market?

Table 21: shows how the use of inventory management led to high level of stores performance at Village Moll super market

Response	Frequency	Percentage
Strongly agree	10	33
Agree	10	33
Strongly disagree	0	0
Disagree	5	17
Not sure	5	17
Total	30	100

Source: primary data

Form the above table, 33% the respondents strongly agreed with the statement, 33% agreed, 0% strongly disagreed, 17% disagreed and 17% were not sure that the use of inventory management led to the high level of stores performance at Village Moll super market

This implied that the majority of the respondents agreed with the statement and the minority were not contented with the statement. This indicated that the researcher has achieved her research objective.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, RECOMMENDATION AND LIMITATION OF THE F INDINGS.

5.0 INTRODUCTION.

This chapter consisted of the summary of the findings, conclusions of the findings objective by objective, recommendation, limitations of the study and their solutions and areas of future research.

5.1 SUMMARY OF THE FINDINGS.

The first objective was to identify different techniques of inventory management used at Village Moll super market in Bugolobi

Inventory management is a focus of evaluating and imposing internal processes and external relationships whether practicing Just in Time inventory or consignment, out sourcing supply procurement, utilization of services of the group purchasing organization information technology system, servicing contract negotiation and ensuring one's own interest are kept at the fore. Sara Lamberti (2009).

Therefore, the findings indicated that inventory management affects stores performance at Village Moll super market Bugolobi branch as 90% of the respondents strongly agreed.

The second objective was to establish the level of performance of stores department at Village Moll super market Bugolobi

Stores performance refers to the process of planning, controlling, monitoring of stock and space within to receive the incoming materials, keep them for as long as there are not required for use (custody) and then to move them out of stores for use or issue.

Therefore, the findings indicated that performance of store department depends on inventory management at Village Moll supermarket Bugolobi branch as 80% of the respondents strongly agreed with the statement.

The third objective was to find out the relationship between inventory management and performance of store department at Village Moll supermarket in Bugolobi.

Therefore, it was noted that stores performance was influence by inventory management thus the relationship between the two variables should be maintained as 85% of the respondents strongly agreed with the statement.

5.2 CONCLUSION OF THE FINDINGS.

Village Moll super market was able to introduce inventory management techniques for example Just in Time delivery, material requirement planning ,economic order quantity among others hence proper stock control and planning thus improving on service delivery to its customers or clients.

Even though stores performance depends on inventory management, Village Moll supermarket should ensure proper stock control and planning to ensure that there is effective operational systems and management in the stores department.

Inventory management has a strong relationship with stores performance, though it was not the only factor that relates to stores performance. However, the relationship between the two variables should be maintained for proper effective and efficient operations.

5.3 RECOMMENDATION.

In order to achieve efficient and effective stores performance, it is imperative for Village Moll super market to do the following:

1. The supermarket management has to make efforts to train their staff on effective inventory management since it is a core in improving stores performance.
2. The supermarket management and employees should handle complaints well to avoid losing client (Customers).
3. An elaborate study of the customer market, needs, expectation and how they should be served without such, the supermarket would hold the customers tight hence loss of revenue.

The researcher encountered a number of limitations as seen below;

The researcher incurred financial problem for typing questionnaires, photocopying them. This was solved by getting financial support from friends and parents.

High transport costs in accessing the supermarket which was expensive however; this was solved by hiring a boda boda.

The respondents were biased in giving information which hindered the authenticity of the data collected from them. However, the respondents gathered information from other sources in order to relate the information to the supermarket to avoid confidentiality meant by the management.

5.5 AREAS FOR FURHER RESEARCH.

1. The impact of Just in Time (JIT) technique on the performance of stores department.
2. The effect of inventory control on the performance of stores lay out.
3. The effect of material requirement planning on the stock level.

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APPENDICES

Appendix 1: questionnaire

Introduction

I am, Akol Patrick a final year student of Kampala International University, pursuing a bachelor degree in procurement and supply chain management and carrying out a study on "inventory management and organizational performance." as part of the requirement for the completion of my course. The questionnaire will take more than 15 minutes to complete. There is no wrong or correct answers of these questions and your submitted responses will be anonymous, so please be as honest as you can. Your information will be treated with high level of confidentiality. Kindly provide answers to the following questions by ticking (√) against the most suitable alternative or giving narrative responses in the spaces provided.

SECTION A: Background Information

1. Respondent's name: (Optional).....

2. Sex: Male ( ) Female ( )

3. Age

20 – 25 years ( )

26– 30 years ( )

31 – 40 years ( )

Over 40 years ( )

4. Designation

Administrator ( )

Support staff ( )

5. Level of education

Certificate ( )

Diploma ( )

Degree ( )

Masters ( )

Others (please specify) .....

6. How many years have you been in this organization?

Below 1 year ( )

1-2yrs ( )

3-4yrs ( )

4years and above ( )

SECTION B: The components of inventory management and organization performance

NOTE:
SD – Strongly Disagree, D – Disagree, NS – Not Sure, A – Agree
SA – Strongly Agree

Statement	Responses				
	SD				
Capacity or Capability of Supplier is one of the components of inventory management					
The company experiences surplus inventory balances					
There are formal inventory management policies.					
Governance mechanism is also seen as a component of inventory management.					
Inventories are predominantly sold on credit					
The company's credit policy is effective					
The company as a strong relationship with the suppliers					

Section C:

Note: Use the following scale in this section:

Strongly disagree (1) Disagree (2) Not sure (3) Agree (4) strongly agree (5)

Please show your level of agreement to indicate the extent to which the following statements have been applying your organization by ticking your response corresponding to the number in the scale given above in box against statement.

No.	Statement	SA	A	NS	D	SD
1.	The firms operating profits improved between 2014-2015					
2.	The company's net sales increased between 2014-2015					
3.	Management ensures that staff adhere to the procurement system in place(inventory management)					
4.	Procurement system in place is easily understood					
5.	Procurement system in place is regularly followed					

Activity	JAN-FEB	MAR	APRIL	MAY	JUNE	JULY
Topic formulation and approval						
Proposal writing						
Data collection						
Data analysis						
Typing the draft copy						
Typing the fair copy						
Submission						

APPENDIX 2

BUDGET

ITEMS	UNIT	UNIT COST	AMOUNT
Writing paper	1 ream	17,000	17,000
Travels			20,000
Consultation charges			70,000
Production			50,000
Typing and printing	5	1,000	5,000
Photocopying	37	200	7,400
Total			169,400