

**THE IMPACT OF LOGISTICS MANAGEMENT ON ORGANISATION
PERFORMANCE; ACASE STUDY OF BRITANNIA ALLIED
INDUSTRIES (U) LIMITED**

BY

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**A RESEARCH REPORT SUBMITTED TO COLLEGE OF ECONOMICS AND
MANAGEMENT SCIENCE IN PARTIAL FULFILMENT OF THE REQUIREMENTS
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DECLARATION

I, **Tibesigwa Joy** declare that this research report on the “The impact of logistics management on organization performance; A case study of Britannia Allied Industries (U) Limited” is my original work and to the best of my knowledge, has not been submitted for any award at any academic institution.

Signed: 

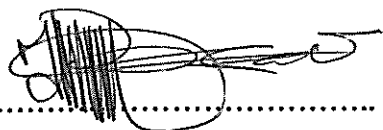
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APPROVAL

This Research report entitled “The impact of Logistics Management on Organization Performance; A case study of Britannia Allied Industries (U) Limited” has been done under my guidance and Supervision as an academic Supervisor.



MR. ASADI AYASI
SUPERVISOR

Date.....05/06/2017.....

DEDICATION

This work is dedicated to my dear parents Mr.Bogere Jackson and Mrs.Nangobi Faith. Thank you for your unreservedly support to me in the course of my studies from Primary up to University. My sisters; Immaculate and Hilder, my brothers Tukesiga Alex, Akampurira Henry and Allan. Thank you for your support, may God bless you.

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I would also wish to thank all the respondents who were also employees of Britannia especially Mr. Ssubuga Wyclife and Nabatanzi Joan for the cooperation during data collection which made it possible for me to finish up this work.

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LIST OF ACRONYMS

BAIL	; Britannia Allied Industries Limited
PPDA	; Public Procurement and Disposal of Public Assets Authority
SPSS	; Statistical Package for Social Scientists
UBOS	; Uganda Bureau of Statistics
WB	; World Bank

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ABSTRACT

The study aimed at Logistics management and organizational performance the research was guided by three objectives that included; To identify the key logistics activities practiced, the effects of logistics information flow on the organizational performance and the relationship between the logistics management and organization performance at Britannia Allied Industries(U)Limited.

The qualitative and quantitative approaches of analyzing data, stratified sampling was used considered 50 respondents, data was collected using questionnaires and interview guide. The researcher encountered several challenges such as; financial difficulties, unwillingness of respondents, high transport cost.

The findings were based on objectives of study; logistic activities carried out at Britannia Allied Industries were; acquisition and procurement, material handling, production activities and distribution activities were cited by respondents. The findings revealed that there was effect of information flow and this was indicated with quick customer response about products and services, profitability and production levels increased better service delivery and inventory policy. It was found out that there is a strong relationship between logistics management and organizational performance, the relationship ensured cost reduction, effective supply chain management, meeting the user requirements and customer demands among other aspects. There was recommendations cited in respect to findings, objectives; there is need to enrich the training of staff with modern logistics activities, organization focus on ensuring quality service delivery.

CHAPTER ONE

1.0 Introduction

This chapter presented the background of the study, problem statement, study objectives, research questions, scope, significance of the study and conceptual frame work.

1.1 Background to the Study

For many years, logistics has and remained a vital function in the affairs of many organizations as the sole process through which the organization can acquire, and regulate the flow of goods, inputs, and other resources (Cozollion, 2012).

Globally logistics embodies detailed coordination of complex operations involving many organizations has become part of the management system and 90 percent of firm's priotise logistics management. It is an engine for the entire organization (Baziotopoulus, 2008). Logistics management had been implemented in many countries in Africa and each production firm in South Africa has a logistics as an independent department. close to 78% countries like; Kenya, Zambia, Malawiruns Logistics function as an Integral part of management, mostly at operational level for better operations and production efficiency (Walters, 2003).

Logistics existed as both a practice, field of implementation and a function in an organization. As a function, it integrates a number of activities involved in procuring, implementing and overseeing usage of resources as well as integrating in-bond, outbound, global, production, distribution, after-sale, disposal, e-logistics, domestic and green logistics (Morris, 2007). These are fundamental in every day operations of the organization especially its operation and production efficiency.

Most firms in East Africa consider it as a sub-unit under procurement function though they are mutually related. Nevertheless, Muess (2010) considers it to be based on principles as a platform and profession. Despite this, some firms still have undeveloped logistics function and others do not have this department. This may be detrimental for their procurement, production, and subsequently operational effectiveness.

In Uganda, until 2003, logistics function was done by top management, accounts and stores staff as part of their duties, and however this has changed with the introduction of PPDA Act 2003. This stated that “Nevertheless, the private sector has had a less visible change due to PPDA (Wagamala, 2008). This portrayed varying logistics function and operation efficiencies in the organizations. One of such firms where the Logistics function was greatly prioritized is Britannia Allied Industries Limited.

As a drive to attain better production, achieve high market share and enjoy all benefits of better operations, Britannia Allied Industries Limited (BAIL) runs a procurement and Logistics department independently. Britannia Allied Industries Limited (BAIL) was one of the leading food and beverage firms in Uganda that deals in production of packed foods, beverages and water. It is one of the largest production firms in the beverage industry. Like any organization, Britannia Allied Industries Limited (BAIL), focuses on Operational performance to achieve liquidity, profitability and resource mobilization purposes. (Coelli, *et al.*, 2005). However, Britannia Allied Industries Limited (BAIL) has not attained its operational efficiency given that it several times fail to reach its production and sales targets, despite handling large logistics and market share in the foods and beverage industry. This requires a thorough investigation mainly concerned with examining the logistics function, its production scope and hence operational effectiveness. Nevertheless, little had been documented as regards to the logistics management and organization performance at Britannia Allied Industries (U) limited and thus a priority area for this study.

1.2 Problem Statement

For many years Britannia Allied industries has been involved in management of its key logistical functions to support its operational activities like inventory management, order processing, transportation, packaging and storage. Thus indicated that Britannia Allied industries had achieved 80% improvement in terms of performance (UBOS 2011).

Britannia Allied industries (U) limited logistics performance had deteriorated in recent years. From an overall global ranking of 86th in 2007, it was then 130th out of 155 countries on the Logistics Performance Index (World Bank 2013). This inspired the researcher to carry out this study based on the effect of Logistics Management at Britannia Allied Industries (U) limited.

1.3 Purpose of the Study

To assess the impact of Logistics management on organization performance of the manufacturing sector; the case of Britannia Allied Industries (U) limited.

1.4 Objectives of the Study

- 1) To identify the key logistic activities practiced by Britannia Allied Industries (U) limited.
- 2) To assess the effect of logistics information flow on the performance at Britannia Allied Industries (U) limited.
- 3) To establish the relationship between the logistics management and organization performance at Britannia allied (U) Industries Limited.

1.5 Research Questions

1. What are the key logistic activities practiced by Britannia Allied Industries (U) limited?
2. What are the effects of logistics information flow on the performance at Britannia Allied Industries (U) limited?
3. What was the relationship between the logistics management and organization performance at Britannia Allied (U) Industries Limited?

1.6 Scope of the Study

The study considered a subject, geographical and content scope as defined below.

1.6.1 Subject Scope

The study was limited to the impact of logistics management on organization performance; a case study of Britannia Allied Industries (U) limited.

1.6.2 Time Scope

This study was expected to cover the period from 2008 to 2013. This because it was overlapping the clearly performance and the functions of logistics activities at Britannia Allied (U) industries limited.

1.6.3 Geographical Scope

The study was conducted at Britannia Allied Industries limited located at Plot M247B. Ntinda Industrial Area in Kampala District, Uganda. The firm was considered because it was a well-

established firm running a number of logistics activities and hence capable of providing detailed information on the variables under study.

1.7 Significance of the Study

Government

Improved logistics management possibly will boast flow of trade and reduction of cost in exports creating export incentives, improved prices of goods and services, and reliable supply chain.

Manufacturing Firms

Efficient and effective logistics will provide base for manufacturing firm growth, increased productivity, reduced cost of production, improved distribution, quality products, and increase customer satisfaction.

Logistics Sector

It may create efficiency on customs clearance process, quality of trade and transport related infrastructure, ease of arranging competitively priced shipments, quality of logistics services, ability to track and trace consignments, and frequency with which shipments reach the consignee within the scheduled time.

Academic Field

The study could also benefit the academic community as it may contribute to the increasing body of literature on logistics. It may possibly provide a framework of logistics management dimensions which may be used as a test base for further research.

1.8 Conceptual frame work

Logistics management Organization performance

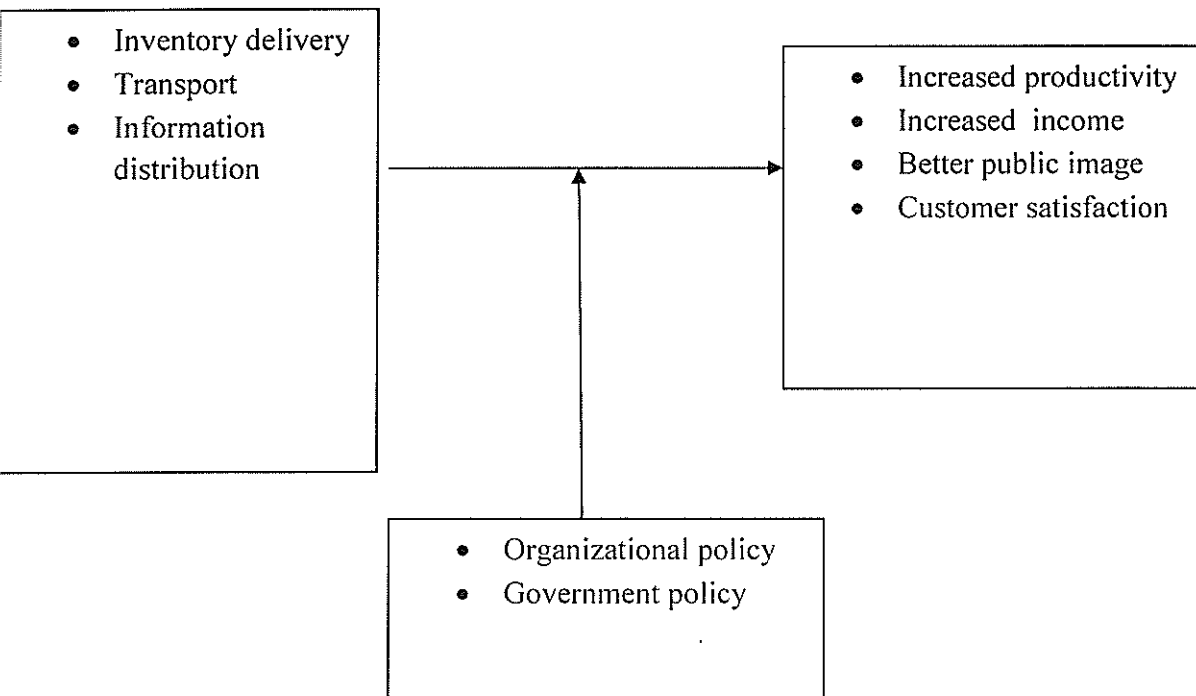


Figure 1 conceptual frame work

Source,(primary Data,2017).

The framework noted the researcher's conceptualization of the variable in their units of measure. Logistics management takes forms of Inventory delivery, transport, information distribution and organization performance includes increased productivity, increased income, better public image, customer satisfaction. However, intervening variables are; organizational and government policy can influence performance whereby policies are weak and not well implemented supplies.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presented review of related literature on the impact of Logistics management and organization performance. It presented literature from various books, magazines, journals and other sources of information relevant to this study based on the set study objectives.

2.1 Key Logistics Activities in an Organization

Logistics was one of the pronounced functions each and every organization should endeavor to practice and ensure it's properly done (Were, 2009). This was because logistics support, encourage and yield to continuous operations of the organization. Firms may not properly run without logistics. A number of activities are carried out under logistics management and these may be a clear source of better day to day undertakings at the organization. Some of these activities had been published by various scholars and are noted.

According to Baziotopoulus, (2008) Logistics was the management of the flow of goods between the point of origin and the point of consumption in order to meet some requirements. Along this chain of distribution from the point of origin to the consumption is a series of activities. The logistician has to keep track on how each of these activities are done for operational effectiveness (Tepic, 2011). In most cases, these activities are broadly considered in relation to their flow that is to and from the organization and this results into in sourced logistics and outsourcing. Major activities undertaken under the logistics management whether it's associated with incoming or outgoing logistics.

2.1.1 Distribution Activities

These are some of the key activities undertaken in the logistics management. The logistics management is the heart of other operations such as production, marketing, welfare, general management, among other functions in the organization (Kushner and Poole, 2006). It's the mandate of the logistics management to ensure timely, appropriate and reliable supply of logistics as and when they are required by user-departments. The extent to which this was done

as dependent on the user-departments, requirements, as well as the evaluation of the cost centers within a particular department.

Walters, (2003) reveals that proper distribution of logistics yields to proper functioning of the user departments, smoothening day to day and long term operations at the organization. Therefore, it's pertinent that the logistics management is well facilitated to meet the supply orders from the user departments.

2.1.2 Acquisition and Procurement Activities

In order for the logistics management to operate, it must work hand in hand with the procurement activities within the organization (Were, 2009). Procurement logistics consists of activities such as market research, requirements planning, make-or-buy decisions, supplier management, ordering, and order controlling (Muess (2010). The extent to which the logistics management executes these activities is closely associated with the general requirements of the organization. This includes all other activities and support services to the organization.

Cozollion, (2012) also reveals that proper functioning of the logistics management is very critical in regulating procurement and acquisitions. The firms dwell on the right logistics, right source, people and time to procure. It also defines the extent to which the company can in source or outsource its services (Were, 2009). Procurement logistics also looks closely at the disposal points, the right time and place for which to dispose and the required logistics to effect the disposal. According to Kushner and Poole, (2006) disposal logistics mainly deals with reducing logistics cost(s) and enhance service(s) related to the disposal of waste produced during the operation of a business.

2.1.3 Production logistics activities

These activities are also important in the logistics function. The logistics management ensures that timely and reliable products are produced so as to meet the needs of the customers. As revealed by Tepic (2011). Production logistics activities are related to organizational concepts, layout planning, production planning, and control. The key objective of procurement logistics is to ensure that production capacities to produce the needed production in distribution logistics.

In addition to ensuring that the production is smooth, logistics management also undertakes activities for reverse activities such as management and the sale of surpluses, as well as products being returned to vendors from buyers. Reverse logistics stands for all operations related to the re-use of products and materials. Under this, activities undertaken include planning, implementing, and controlling the efficient, cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of consumption to the point of origin for the purpose of recapturing value or proper disposal.

According to Kushner and Poole (2006), logistics also deals and handles material handling, storage, distribution to store units and general warehouse management. It's the logistics management that plans for the right materials, inputs to be stored, when and where they should be stored.

From these activities, the logistics management is supposed to ensure they are properly handled and the state in which operations within these user- units, clients and suppliers are managed should depict what is right for the organization. Not all these functions are effectively offered, and for such this study focused on the operations of Britannia Allied Industries to establish the nature of its logistics function as well as the various activities actually implemented at the company.

2.2 Effects of information flow on Performance

Information flow is the ratio of the inputs to the out puts of the organization (Coelli, 2005). It exposes the extent to which the organization has been able to meet its clients/suppliers/employees and other stakeholders' expectations, complaints. In many organizations, the aspect of information flow is very important but rarely attained. Ascertainment of the right information got inputs, their value, cost and contrasting them with the outputs helps us to conceptualize more of the performance of the organization (Walters, 2003).

The growing importance of logistics arose from companies becoming globalized to gain access to new markets, realize greater production efficiencies, and tap technological competencies beyond their own geographical borders (Kilasi. Juma, &Mathooko, 2013).

In today's highly competitive environment, every company aimed at gaining a share of the global market and to take advantage of higher production and sourcing efficiencies. A key determinant

of firm's performance then Was the role of the logistics function in ensuring the smooth flow of materials, products and information throughout a company's supply chains (Kilasi, at el.,2013). This was why in most recently, logistics had become more prominent and was recognized as a critical factor in competitive advantage.

Logistics management had received much attention over the past decade from practitioners and government (Tilokavichai, *et al.*, 2012). Realizing the importance of sustainability in logistics management was critical for competitive advantage because operational performance had a positive impact on company's financial performance (Tilokavichai, *et al.*, 2012).

Since logistics management consisted of many activities including customer service, orders processing, inventory management, transportation, storage, packaging, demand and forecasting, production planning, purchasing and procurement, facility location, and distribution that were supported by enormous information flow every organization wanted to impress the efficiency on its formation. This could only be achieved when, logistics performance is managed in order to ensure sustainability of the firm (Tilokavich ai, *et al.*, 2012).

According to Coelli (2005), performance is a product of many factors operating in various departments, sections and the entire organization. To define therefore what information flow does on performance means looking at its effects. Muess (2010) reveals that for many firms because they do not attain Operational performance, they may not easily account for it. However, noted below are the indicators of effective information flow on performance in an organization.

2.2.1Service Delivery

Herman and Joe (2006) reveal that unless the firm was able to attain its targets in service/ production delivery, its information flow is very minimal. The scope of target output, services offered and the nature in which they can be accessed with ease is an indication of operational effectiveness.

2.2.2 Profitability levels

A firm can count itself effective if it's able to operate above break-even point for long. Operations below breakeven point reflect high level of losses contrary to profits when the firm is above the Break Even Point (Ondinga, 2008). The faster the level to which the organization can attain this reflects perfect performance, high level of competitive advantage and subsequent business progress.

In the earlier study by Coelli, (2005) who reveals also that 90 percent of the firms in Uganda depend on profits to evaluate their performance. Therefore it is essential for a firm to decide whether to use the measures based on sales maximization levels, or profitability or production levels as bench marks for its performance.

2.2.3 Cost Reduction

Costs are negative and detrimental to the organization. Costs should at whatever case be minimized and the firm can base on the cost reduction levels to evaluate its effectiveness. performance level based on costs is a information flow of which costs have been cut short, avoided or completely removed from the operations (Illumba *et al*; 2008). It is vividly clear that the firm has to keep its costs cut its operations are to be elevated than its competitors.

2.2.4 Human Resource Capabilities and performance levels,

Walters (2003) reveals that its human resource which determines how much of the targets are accomplished. Labor in particular determines which of the inputs are required, put to use and hence forth determine the performance of various departments and organization in general. The better and high level of human resource competencies and performance, the better the operations scope of the organization.

2.2.5 Performance of User and Management Functions

Ondinga, (2008) in his book, "Tackling the Operations challenge" reveals that the existence of the organization dwells on its functionality especially of the finance, procurement and day to day operations. In case the firm is not able to run one or more of its departments. However, a firm can keep on functioning, below operational capacity or with one function effective. Therefore

effectiveness in operations is a complex area of inquiry unless particular attention is drawn to an organization in particular.

2.3 Relationship between logistics management and Organization performance

Logistics is an all-round function in the organization. It handles various activities, effects. The extent to which this reflects and relates with some of the other functions of the organization is very pertinent.

According to Herman and Joe (2006) in their book, “Organizational effectiveness: 5 steps to achieve organizational effectiveness” they reveal that there is significant relationship between functional units of the organization such as accounts, logistics, stores, procurement and human resource and the organizational effectiveness. This was cited among service firms and the perspective was general in relation to the functions of the organization. Of these units, procurement and logistics as well as accounting were the leading areas of particular concern if the firm is to attain effectiveness.

The better the level of logistics management in the organization is synonymous to the units, inputs and outputs the firm runs. The scope and dimension in which the firm evaluates its effectiveness can be associated with the logistics flow of the inputs. Morris (2007) in relation to this aspect also states that there is a significant correlation seems to be visible between the logistics especially inbound logistics with the quality, level and extent of performance.

From the above view of Morris (2007) and Herman and Joe (2006), it can be considered that the level to which the organization effects its logistics management, may not only be relevant in controlling the in and out flow of logistics but also act to facilitate the level of performance in the organization.

According to Coelli *et al.* (2005), proper logistics provide a formidable foundation of what are the user requirements and also what are the customers' demands. The requests for supplies and orders placed respectively relate with what can be produced and/or sold. Sales and production are thus based on the effectiveness of the logistics management. However, they also offer and provide an indication of operations and performance levels of the organization. This provides a

link between logistics and organization performance, as the requirements and cause for logistics, yields and indicates the level of operations efficiency.

In a close relationship, Walters (2003) also reflected on the perspective that logistics and operations have a close relationship exhibited in the effectiveness of the supply chain effectiveness levels. For firms in production, it may not be considered reliable and efficient when there is a breakdown in the various tiers in the supply chain. To avoid such scenario of supply chain break down, continuous and reliable logistics are required which also reveals how much of the output is able to go to market thus keeping the supply chain revolving and continuous. In such a case, both the logistics management and organization performance facilitate and are thus closely associated.

According to Ondinga (2008), a firm cannot do without logistics efficiency if its to attain its performance and organizational objectives. In the study he reveals that out of a sample of 200 firms in Turkan province, close to 56.7 percent practiced a formal procurement and logistics function based on the nature of their operations. The firms which had no formal logistics management experienced hardships especially in mitigating operational and production constraints. This reveals the extent to which proper conduct of required logistics function does not only support the user departments and production but also supports operational efficiency of the firm. The challenge that exists however is how firms can build up a strong logistics management that can yield such high levels of organization performance.

In addition, Kushner and Poole (2006) revealed that, “when a firm is focused on production, one of its performance indicators is the pace to be a role model in the market, based on the quality, quantity and differentiation levels of its products. This reflects clearly on how relevant a firm should source the right inputs, for the right production process, from the right people and in the right time and quantity. All these “rights” form a basis upon which procurement and logistics are founded, thus prompting the firm to have the right logistics management for the right performance expected (Kushner and Poole, 2006:14). Whereas these emphasized the concept of being the right aspect, it should be considered that all these are embedded in logistics and yield to operational effectiveness, hence revealing the extent to which the two concepts are related.

In a summary, it may not be easy for one to conclude on the extent and nature by which logistics management is related with organization performance, unless a case reference is made to a particular organization. Although the above literature has attempted to provide a detailed review of the key areas associated with logistics, indicators of organizational performance and the areas in which logistics management and organization performance are related, it's not enough. This mandates further study on the concept a reason why this study was undertaken.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter described the way the research was conducted. It involved research design, study population, selection of the sample, data collection instruments, Data Collection Procedure, Analysis and limitations of the study.

3.1 Research Design

The study design involved qualitative and quantitative approaches of analyzing data. Quantitative approach consisted of figures to ascertain quantitative data which was quantified in form of percentages and frequencies. The study also used qualitative approach involved to gather opinions, views and interpreting these opinions in relation to study questions and variables in order to form descriptive statements. These statements were used and interpreted in relation to the research questions. The study considered implementing its findings using this design because it assisted the researcher in getting deep analysis of responses and obtaining highly representative data.

3.2 Study Population

The study population consisted of 58 respondents from the Management and staff of Britannia Allied Industries Limited (BAIL) located in Ntinda Industrial Area in Kampala District.

3.3 Sampling Design and Sampling Techniques

The researcher used mainly stratified random sampling to select the sample for the study. The population was put into strata i.e. Management and staff. A staff and administrators list was obtained from the Human Resource Manager at Britannia Allied Industries Limited. Sample unit respondents were then randomly selected from this list randomly until a sample required was attained. This assisted the researcher to obtain a highly representative and unbiased sample of respondents for the study.

3.4 Sample Size

The sample size of the study was determined according to Slovene's formula of sample determination. Under this, a target population of 58 was zeroed down to a sample size of

50respondents respectively as stated by Slovene’s. The Slovenes formula was used to determine the minimum sample size.

$$n = \frac{N}{1 + N(0.05)^2} = \frac{58}{1 + 58(0.05)^2} = \frac{58}{1 + 58 \times 0.0025}$$

$$n = 50$$

With n=number of sample

 N=total population

 e=level of significance 0.05

Using the formula above.

3.5 Data Collection Sources

The researcher used both primary and secondary data sources.

3.5.1 Primary Data

Primary data was source of data generated from the study area. It included opinions, views and suggestions of the respondents at Britannia Allied Industries Limited. This was the major source of study information and constituted the major findings of the study. It was used because it provided first-hand information about the study variables.

3.5.2 Secondary Data

Secondary data sources were kind of information that the research study uses which was already published in regard to the study topic. It included all written, audio and visual information that was readily available on the study. This included information from text books, internet, newspapers, reports, brochures and news prints will also be used in the study.

3.6 Data Collection Methods

The researcher used questionnaires, interviews as the major data collection methods to get firsthand information.

3.7 Research Collection Instruments

3.7.1 Questionnaire

This was the main data collection tool. It consisted of questions that are set in relation to the research objectives so as to get the real answers to the set research questions. These are administered on the Management and staff of Britannia Allied Industries Limited. The

questionnaires were used because they are easy and convenient to use in collection of data from busy respondents like those at Britannia Allied Industries Limited. By rating from 1-4, score response (strongly agree, agree, disagree and strongly disagree) as described below in questionnaire, legends (SA, A, D, SD).

3.7.2 Interviews

For the purposes of obtaining deep-rooted and concise data, the researcher used interviews. These were conducted in a period of 20 minutes per selected respondent. The researcher based on an interview guide. Interviewing was conducted on the staff in the Procurement and Logistics department of Britannia Allied Industries Limited.

3.8 Data Collection Procedure

The researcher was given letter of introduction from Department of Human Resource and Supply chain Kampala international University and which she was presented to the management of Britannia Allied Industries Limited. With approval by the authorities at the company, the researcher was given acceptance letter then administering the research tools in their organization. The researcher first conducted interviews with the staff in the Procurement and Logistics department. She also distributed questionnaires to respondents. After 2 days she collected, filled questionnaires.

3.9 Validity and Reliability

3.9.1 Validity

Validity was the ability of the research instrument to measure what it aims or is supposed to measure. According to Amin (2005), the research instrument must be appropriate for the study objectives to be achieved. The researcher consulted and discussed validity instrument with colleagues and supervisor to limit errors as much as possible.

Out of the total number of items of the questionnaire, the questions that were considered very relevant and quite relevant are rated. The content validity index for the questionnaire indicated 0.7 to confirm them valid since it is 0.74790 it meant that the instrument was valid.

3.9.2 Reliability

Reliability of an instrument was the dependability or the trustworthiness of an instrument. According to Amin (2005), it was the degree to which the instrument consistently measures what

it is supposed to measure. This method is picked on a single pre-test group and shows the degree to which the items in the questionnaire are inter-correlated. That is, a respondent who would have completed the questionnaire will again be politely asked to complete another fresh questionnaire (retest) after two weeks to prove the answers earlier filled for consistence or how close they relate (Amin, 2005). Internal consistence of the items in the questionnaire is established using Cornbach's formulae to computer the alpha co-efficiency of reliability.

To get the reliability, the data will be entered in the computer and analyzed using the statistical package for social scientists (SPSS), which are useful for providing a Cronbach Co-efficient Alpha test for testing reliability.

3.10 Data Analysis

Data will be analyzed using descriptive statements, percentages and frequencies. It will be presented in tables, graphs and charts. These are used because the researcher anticipates that they facilitated the compilation and interpretation of study findings in a detailed and comprehensive manner.

3.11 Limitations faced during the study.

Poor time management by employees of the Britannia Allied industries (U) limited also hinders the data collection process. Some employees came late as they had other things to do besides working at the company office, others did not keep appointments leading to failure to get responses from them in the end.

Unwillingness of the respondents to effectively respond to the questions is one of notable problems that the researcher faces in conducting study.

High transport costs and maintenance cost that researcher needs to carry out data collection process from the field.

The researcher will encounter problems of financial difficulties. especially in areas of printing. transportation, Library fees, internet costs and feeding among others. this constraint is averted by seeking financial sponsorship from friends and well wishers.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter presents the findings obtained in response to the study undertaken to establish the impact of logistics function on operations efficiency in an organization. The study was undertaken at Britannia Allied Industries (U) limited and the findings are presented below in relation to the demographic characteristics of the respondents and the study objectives.

4.0.1 Response rate

The study population was 58 but only 50 respondents participated and 8 did not participate in the study project. The response rate of the study is presented in Table 4.1 below.

Table 4.1: Response rate

<i>Response level</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Questionnaire	47	81
Interview	03	03
Did not respond	08	16
Total	58	100

Source: Primary data, 2017

As shown in Table 4.1 above, while the study had selected 58 respondents, only 47 (81%) of the respondents participated by questionnaire and 03(03%) responded by interview and 08(16%) did not participate. The study was thus considered effective, as the 50 (84%) respondents sample was adopted as determined in sample size of the study.

4.1 Demographic characteristics

A total of 50 respondents were contacted and major characteristics were established and these included age, gender, level of education, marital status of respondents and the level of experience of the professional respondents. These are presented below.

4.1 Age of respondents

The age of the respondents contacted was as shown in Table 4.2 below.

Table 4.2: Showing Age of Respondents

<i>Age</i>	<i>Frequency</i>	<i>Percentage (%)</i>
20-29	12	24
30-39	17	34
40-49	11	22
50-59	06	12
Above 60	04	08
Total	50	100

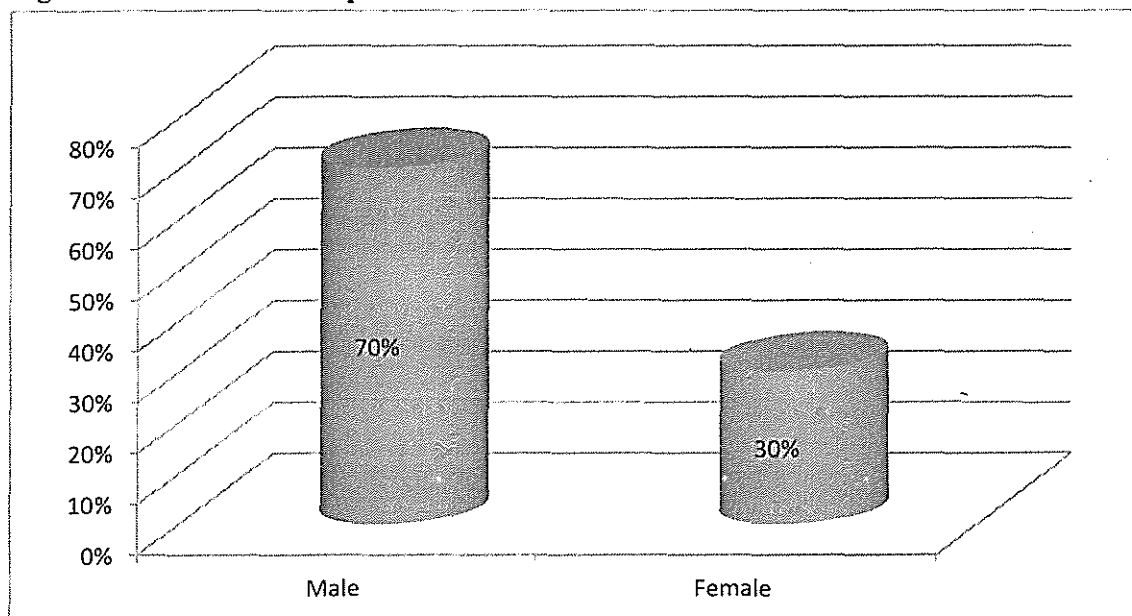
Source: Primary data, 2017

Results in Table 4.2 reveals that majority of the respondents (34%) were aged between 30-39 years although 24% were aged 20-29 years. In the addition, 22% were aged between 40-49 years, and 12% were 50-59 years of age. Least (8%) were aged above 60 years. From the above, it was established that most of the respondents were aged 20-59 years, the most active age bracket in Uganda.

4.1.2 Gender of Respondents

The gender of respondents were as shown in Figure 4.1 below

Figure 4.1: Gender of respondents



Source: Primary data, 2017

Results of the study in Figure 4.1 reveal that most of the respondents (70%) were males although 30% were female. This implies that despite the fact that the study was gender sensitive, most males were interested in the study, and constituted the majority of the employees at Britannia Allied Industries Limited.

4.1.3 Level of Education

The distribution of respondents in relation to their level of education was as shown in Table 4.3 below

Table 4.3: Showing level of education

<i>Level</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Primary level	05	10
A and O level	08	16
Diploma	14	28
Bachelor of degree	20	40
Master's degree	03	03
PhD	00	00
Total	50	100 %

Source: Primary data, 2017

Results in Table 4.3 reveal that most of the respondents had bachelor's degree education (40%). Although 03% had master's degree and 28% had diploma Education. Those below diploma level had secondary education (16%) and Primary Education (10%). This implies that most of the employees at Britannia Allied Industries were educated and hence provided relevant informed views about the logistics function and operations efficiency.

4.1.4 Duration of the Respondents

Table 4.4: Showing working duration in Britannia Allied Industries Limited

<i>Working duration</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Less than a year	01	02
1-5 years	15	30
5-10 years	25	50
Over 10 years	04	08
Total	50	100 %

Source: Primary data, 2017

Results of the study show that majority of the respondents had worked between 5-10 (50%) years at Britannia Allied Industries limited, and 30% had spent 1-5 years and (8%) of the respondents had spent over 10 years. A few (2%) had spent only a year or less in service. This implies that most of the respondents were highly experienced and provided detailed responses about the study.

4.2 Findings on the Key Logistic activities practiced by Britannia Allied Industries (U) Limited

The first objective was to establish the key logistic activities practiced by Britannia Allied Industries (U) limited. From the responses generated by questionnaires and interviews, the following responses were obtained.

4.2.1 Existence Procurement and Logistics Management

The extent to which Britannia Allied Industries had an established and operating procurement and logistics management were revealed as in Table 4.5 below;

Table 4.5: Existence of procurement and logistics department at Britannia Allied Industries

<i>Response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Strongly agree	18	36
Agree	22	44
Disagree	05	10
Strongly disagree	03	06
Total	50	100 %

Source: Primary data, 2017

Results in Table 4.5 reveals the perceptions of respondents regarding the existence of an established procurement and logistics department at the company. Majority (44%) agrees and 36% strongly agree to the fact that there was a strong procurement and logistics department at Britannia Allied Industries. However, 10% disagreed, 6% strongly disagreed and 4% were not sure about this. This implies that the company had a well-established procurement and disposal department which was the key are in which this study was undertaken.

4.2.2. Logistics activities carried out at Britannia Allied Industries (U) Limited

Findings were obtained in regard to the key logistics activities practiced by Britannia Allied Industries Limited. Responses were as cited in Table 4.6 below.

Table 4.6: Showing logistic activities carried out by Britannia Allied Industries (U) Limited

<i>Logistic activities</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Total</i>
Acquisition and procurement	(44%)	(30%)	04(15%)	(15%)	50 (100%)
Material handling	(33%)	(54%)	(19%)	00(00%)	50(100%)
Reverse logistics	(55%)	(27%)	(11%)	(06%)	50(100%)
Production activities	(62%)	(30%)	(4%)	(04%)	50(100%)
Distribution activities	(33%)	(59%)	(04%)	(00%)	50(100%)

Source: Primary data, 2017

Results in Table 4.6 reveal the responses on the key logistics activities undertaken at Britannia Allied Industries Limited and the extent to which they are undertaken.

Acquisition and Procurement; This procurement activity was strongly identified by 44% and agreed to by 30% of the respondents. On the other hand, 15% disagreed and 15% strongly disagreed to this view. Majority 74% compared to 26% agreed to the fact that their procurement and disposal carried out acquisitions on behalf of the organization and implies the activity was being undertaken at the company. This also agrees with Muess (2010) who noted that procurement logistics consists of activities involved in acquisitions make-or-buy decisions, supplier management, ordering, and order controlling and other procurement activities.

Material handling; From the findings in table 4.7, 54% agreed and 33% of the respondents strongly agreed that Britannia Allied Industries limited carried out material handling in their procurement and logistics operations. although 19% disagreed and 4% were not sure. Majority (77%) agreed to this view and this implies that material handling activities were undertaken at the company. The activity of material handling is so essential and this finding agrees with the earlier view of Kushner and Poole (2006) who noted that material handling logistics are carried out in storage and distribution to store units and general warehouse management so as to plan for the right materials, inputs to be stored, when and where they should be stored.

Reverse Logistics; As shown from the results, 55% of the respondents contacted strongly agreed and 27% agreed that reverse logistics are carried out at the company, while 11% disagreed and 7% were not sure. Thus, 83% of the respondents positively considered that within the procurement and logistics function, was the undertaking of reverse logistics and implies that the activity was highly carried.

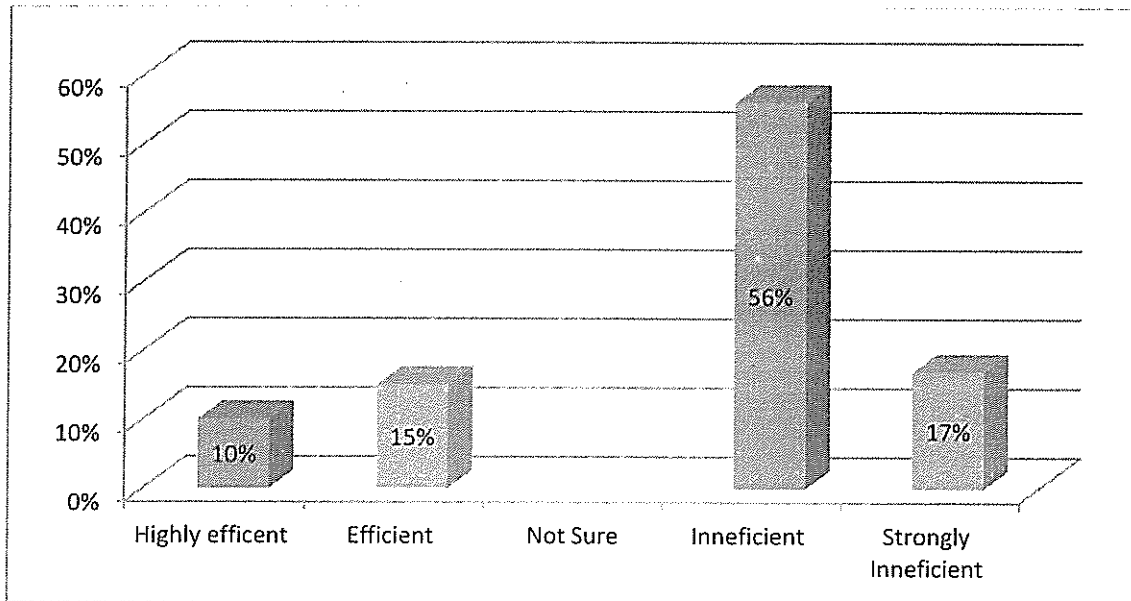
Production Activities; In regard to production activities, 62% strongly agreed, and 30% agreed that procurement and logistics function at the company was engaged and referred to in production activities, although 4% disagreed and strongly disagreed respectively. A total of 92% agreed to this view implying that production logistics were the most undertaken activities in the logistics function at the company. This agrees to Tepic (2011) who revealed that production logistics activities are related to organizational concepts, layout planning, production planning, and control and are highly considered essential in logistics operations.

Distribution activities; Responses obtained revealed that 59% of the respondents agreed and 33% strongly agreed that distribution activities are carried out in the logistics operations of the company, though 4% disagreed and 4% were not certain about this. Majority 92% agreed to this view and this implies distribution activities are part of the logistics activities done by the company. This view supports and agrees with Kushner and Poole, (2006) who also noted that organizations undertaken distribution activities to ensure timely, appropriate and reliable supply of logistics to the organization.

4.2.3 Efficiency levels of Procurement and Logistics department at Britannia Allied Industries.

Responses regarding the efficiency levels of procurement and logistics function were noted as shown in Figure 4.2 below.

Figure 4.2: Level of efficiency of the logistics function at Britannia Allied Industries



Source: Primary data, 2017

From the above responses, the majority (56%) considered that to their belief logistics function at Britannia Allied Industries was not effective, although 17% strongly believed that it was ineffective. However, 15% revealed that it was efficient and 10% noted it was highly efficient. From the responses a total of 73% revealed the logistics function was not effective and gave reasons like there are cases of shortages, high level of costs of procurement, Just-in –Time supplies, and the production-market demand was still low. On the other hand, a total of 25% considered it effective because the company attained some of its logistics and procurement objectives and has persisted in the market.

4.3 Findings on the effects of information flow on the organizational performance exhibited at Britannia Allied Industries (U) Limited

The second objective was to examine the effects of information flow on the organizational performance exhibited at Britannia Allied Industries (U) limited. The focus under this objective

was on the information flow and organizational performance at the company. In response the following were established.

Quick responds to customer issues at Britannia Allied Industries (U) limited

Responses regarding the quick response to customer issues about product and services offered at Britannia Allied Industries (U) limited are shown in Table 4.8 below.

Table 4.7: Level of customer issues at Britannia Allied Industries (U)Limited

<i>Response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Strongly agree	15	30
Agree	18	36
Disagree	10	20
Strongly disagree	07	14
Total	50	100 %

Source: Primary data, 2017

Results presented in Table 4.7 above shows that majority 20% disagreed to the view that customers issues at the company were efficient and quickly complied to and 14% strongly disagreed to the above perception. On the other hand, 36% agreed, 30% strongly agreed and, 34% in total disagreed compared to 66% who agreed and this implies that the information flows at Britannia Allied Industries Limited were not efficient. This quick responses to customer issues were efficiency established agreed with the view of Muess (2010) who revealed that for many firms because they do not attain have the rightful facilities to effect of information flow logistics, they may not easily account for it and thus a number of these organizations do not have effective information flow.

4.3.2 Effects of information flow at Britannia Allied Industries (U) Limited

Effect of information flow being offered since information is delivered on time at Britannia

Allied Industries (U) limited are shown in Table 4.8 below.

Table: 4.8: Effects of information flow and organizational performance at Britannia Allied Industries (U) Limited

<i>Effects of information flow</i>	<i>Strongly agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Total</i>
Customer issues of products and services	(33%)	(41%)	(15%)	(11%)	(100%)
Profitability levels	(62%)	(19%)	(17%)	(02%)	(100%)
Better Service delivery	(74%)	(22%)	(4%)	0(00%)	(100%)
Inventory policy	(59%)	(11%)	(11%)	3(19%)	(100%)

Source: Primary data, 2017

Results in Table 4.8 show the various effects of information flow on organizational performance as revealed by respondents at Britannia Allied Industries Limited and these are presented below.

Customer issues about products and services; It was agreed to 41% customer issues about products and services at the company revealed the level of organizational performance, although 33% strongly believed. However, 15% disagreed and 11% strongly disagreed to this view. This implies that the customer issues about products and services are very useful in evaluating the level of organizational performance. This agrees to Walters (2003) who noted that customer issues about products and services which determines how much of the targets are accomplished and hence performance was effective.

Profitability levels; Findings revealed that 62% strongly agreed, 19% agreed while 17% disagreed to the fact that profitability levels at the company indicated the level of operational efficiency. 81% agreed to the statement while 14% totally disagreed. This implies that profitability levels at the company also indicated the level of organizational performance attained by the company, just as it was also revealed by Coelli, (2005) who reveals also that 90 percent of the firms in Uganda depend on profits to evaluate their effectiveness.

Better service delivery; As shown in table 4.9, 74% of the respondents strongly believed and 22% agreed that service delivery indicates the level of organizational performance although 4% disagreed to this view. The level of service delivery strongly effects of informational flow as

totally agreed to by Herman and Joe (2006) who reveal that unless the firm is able to attain its targets in service/production delivery, its organizational performance is very minimal.

Share inventory policy with suppliers; Findings obtained revealed that 59% of the respondents strongly agreed and 11% agreed to the fact that share inventory policy with suppliers on levels of stock required as indicate of information flow and 11% disagreed and strongly disagreed respectively to this view. In addition, 08% of the respondents were not sure about this view. This implies that higher levels of inventory policy revealed higher levels of organizational performance and this agrees to Illumba *et al*; (2008) who noted that Operational level based on inventory policy.

4.4 Findings on the Relationship between the Logistics and the organizational performance at Britannia Allied (U) Industries Limited

The third objective was to establish the relationship between the logistics management and the organizational performance at Britannia Allied (U) Industries Limited. In response, the following were established.

4.4.1 Extent to which Logistics management and organizational performance is related.

Responses regarding the relationship between logistics management and organizational performance were noted as shown in Table 4.9 below.

Table 4:9 Rating on the Relationship between Logistic management and organizational performance

<i>Response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Strongly agree	21	42
Agree	18	36
Disagree	10	20
Strongly disagree	01	02
Total	50	100 %

Source: Primary data, 2017

Results of the study in Table 4.9 reveals that majority (42%) strongly agreed and 36% agreed that logistics management and organization performance are related, although 15% disagreed to this view and 20% strongly disagreed that the duo are not related. 02% were not sure. Out of all

respondents, 71% agreed they are related and this implies that logistics management and organizational performance were related at Britannia Allied Industries (U) limited. Some of the areas in which the two aspects are related were established.

4.4.2. Logistics management and cost reduction at Britannia Allied (U) limited

Respondents were asked to establish the extent to which the logistics management related with organization performance in terms of cost reduction.

Table 4.10: Rating the relationship between logistics management and cost reduction operations

<i>Response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Strongly agree	26	52
Agree	15	30
Disagree	07	14
Strongly disagree	02	04
Total	50	100 %

Source: Primary data, 2017

Responses of the study in Table 4.10 reveal that 52% strongly agree, 30% agree to the fact that logistics management and organizational performance are related in terms of cost reduction. This was noted that with a better logistics management, all the costs that should be incurred are based on the required inputs. On the other hand, 14% disagreed and 4% strongly disagreed to this view. Therefore, 89% agreed to this view which related to Kushner and Poole (2006) who revealed that, “when a firm is focused on minimizing its costs through logistics and performance indicators and the quality, quantity and level of organizational performance.

4.4.3. Logistics management and Effective organizational performance in Supply Chain Management

Responses rating the relationship between logistics management and organizational performance in terms of supply chain management are presented in Table 4.11 below.

Table 4.11: Level of the relationship between Logistics and organizational performance

<i>Response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Strongly agree	20	40
Agree	18	36
Disagree	07	14
Strongly disagree	05	10
Total	50	100%

Source: Primary data, 2017

Results in Table 4.11 reveals the responses rating the extent to which logistics management and supply chain management were related in the operations at Britannia Allied Industries. Most of the respondents (40%) strongly agreed and 36% agreed with logistics being related to organizational performance in supply chain management, while 10% strongly disagreed and 14% disagreed. This view was also revealed by Walters (2003) also reflected on the perspective that logistics and performance have a close relationship exhibited in the effectiveness of the supply chain effectiveness levels.

4.4.4. Logistics and Operational Profitability

The extent to which logistics management relates to operational profitability levels at the company were established and presented in Table 4.12 below.

Table 4.12: Level of relationship between Logistics management and Operational Profitability of the firm

<i>Response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Strongly agree	19	38
Agree	22	44
Disagree	06	12
Strongly disagree	03	06
Total	50	100 %

Source: Primary data, 2017

Results of the study shown in Table 4.12 reveal that 38% of the respondents strongly agreed and 44% agreed to the fact that a better logistics management results into higher operational profitability. This implies that logistics function and profitability in the operations of the organization were closely related and this agrees to Ondinga (2008), who noted that a firm cannot do without logistics efficiency if it's to attain its performance and organizational objectives especially enhancing its profitability.

4.4.5 Proper Logistics function helps to meet operations user requirements and customer demands

Responses relating to the level of relationship between logistics management and user requirements and customer demands are presented in Table 4.15 below.

Table 4.13: Level of relationship between logistics management and meeting the user requirements and customers' demand

<i>Response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Strongly agree	18	36
Agree	17	34
Disagree	10	20
Strongly disagree	05	10
Total	50	100 %

Source: Primary data, 2017

Responses in Table 4.13 reveal that majority of the respondents (36%) strongly agreed and 34% agreed to the fact that logistics management and ability of the firm to meet user requirements and customers' demands were related. However, 20% disagreed while 10% strongly disagreed to

this view. This implies that there was a strong relationship between logistics and organizational performance in terms of meeting user requirements and customer demands. This was however poorly met and Britannia Allied Industries (U) limited and agrees to Coelli *et al*, (2005) who noted that proper logistics provide a formidable foundation of what are the user requirements and also what are the customers' demands.

From the above, it can be considered that most of the identified areas revealed a positive response (level of agreement) which implies that there was a strong relationship between logistics management and organizational performance.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings, conclusions and recommendations generated in relation to the study on the impact of logistics function on the operations efficiency in an organization. This is presented in relation to the findings and the study objectives as shown below.

5.1. Summary of the findings

This study purposed to establish the impact of logistics management and organizational performance. In order to attain this, the study set three (3) key objectives: to establish the key logistic activities practiced by Britannia Allied Industries (U) limited, examine the effects of information flow on organizational performance indicators exhibited at Britannia Allied Industries (U) limited and to establish the relationship between the logistics and the organizational performance at Britannia Allied (U) Industries Limited. In response the following results were established:

It was established that Britannia Allied Industries (U) limited had a functioning procurement and logistics department, although it was not so effective. The logistics management involved undertaking of a number of activities such as acquisition and procurement of inputs, supplies and regulating works, material handling, production activities, reverse logistics and distribution activities. It was found out that while these were mandatory activities, they were less effective, untimely and less undertaken by the logistics function at Britannia Allied Industries.

Findings revealed that there was on the effect of information flow at Britannia Allied Industries (U) limited and this was indicated with quick customer response about products and services, profitability and production levels in regard to targets, better service delivery and inventory policy. These were found highly effective and hence depicting high level of organizational performance at the company. In such a case different ways including review of management function, recruitment of trained staff, proper decision making, prompt and timely production levels.

In regard to the relationship between the logistics management and the organizational performance it was found out that there is a strong relationship between the two aspects although at Britannia Allied Industries (U) limited this relationship was low for most aspects. This relationship existed in the ways by which logistics management ensures cost reduction, ensured effective supply chain management, profitability levels, meeting the user requirements and customer demands, among other aspects identified. It was generally established that logistics management, its effectiveness and its scope area of great impact on the organizational performance for any organization including Britannia Allied Industries (U) limited.

5.2. Conclusions

Based on the above findings, and the study objectives the following conclusions were reached at:

For the first objective, to establish the key logistic activities practiced by Britannia Allied Industries (U) limited. It was concluded that despite the low level of logistics management efficiency, a number of activities were being carried out right from acquisition; material handling, reverse logistics, production and logistics accountability were being done at the company.

The study in regard to the second objective concluded that the level of organizational performance was high and this was indicated by high customer issues, profitability levels, service delivery levels, inventory policy which were cited to be fundamental in measuring organization performance.

In relation to the third objective in regard to establishing the relationship between the logistics and organizational performance at Britannia Allied (U) Industries Limited. It was considered that the two concepts were related especially in aspects of cutting costs, ensuring reliable procurement activities, simplification of supply chain management, as well as all being relevant in meeting the user needs for operations efficiency.

5.3 Recommendations

The study makes the following recommendations in respect to the findings, objectives and conclusions generated in this study:

- (i) There is need to enrich the training of staff in modern logistics activities so as to improve the level of performance of logistics department and hence improve the general operations of the organization.
- (ii) The study also recommends that proper decision making and procurement management need to be undertaken when sourcing for logistics. This is because the level of logistics determines operations efficiency.
- (iii) The study also recommends that the organizations should focus on ensuring quality service delivery especially meeting customer requirements and needs so as to improve their operations.

5.4 Areas for further research

In the course of conducting this study, the following were identified and required attention by future research study;

- (i) The challenges facing logistics operations and implementation in the Private sector.
- (ii) The role of managerial influence on the activities of the procurement staff
- (iii) The role of ICT on successful logistics function in an organization

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APPENDICES

APPENDIX II: Questionnaire for the Study

Dear Sir/Madam,

I am **Tibesigwa Joy** a student of Kampala International University carrying out a research on the **“Impact of Logistics Management on Organization Performance at Britannia Allied Industries(U) limited”** as part of the requirement for the fulfillment of the award of a degree of Bachelor of supply chain and Procurement Management. I therefore humbly request you to spare some of your time and fill in this questionnaire. Please be assured that all information you give here will be strictly for academic purposes and will be treated with great confidentiality.

Thank you for your time.

SECTION A

RESPONDENTS' BACKGROUND INFORMATION.

In each section, tick in the box or fill in your response in the space provided as appropriate.

1. Age of respondent.

Above 60	59-50	49-40	39-30	29-20

2. Level of education

PHD	Masters Degree	Bachelor Degree	Diploma	A and O level	Primary level

3. Number of years worked with Britannia Allied Industries Limited.

Over 10 years	5-10 years	1-5 years	Less than a year

SECTION B:

Direction: please respond to the options and kindly be guided with the scoring system below. Please write your rating in the space provided.

Rating	Score response	Description	Legend
1	strongly agree	you agree with no doubt	SA
2	Agree	you agree with some doubt	A
3	Disagree	you disagree with some doubt	D
4	Strongly disagree	you disagree with no doubt at	SD

Under the following sections, please tick according to your level of agreement.

SA	Strongly Agree
A	Agree
D	Disagree
SD	Strongly Disagree

Please evaluate the statement by ticking in the box with the number that best suits you.

The table below shows research questions of our study about, logistic activities, effects of information flow and relationship between logistics and organization performance at Britannia Allied Industries (U) Limited.

Logistic activities		1	2	3	4
1	The organization has uses its procurement to acquire necessary resources				
2	The company handles different Materials				
3	Organization is involved in shipping goods from suppliers to sales area				
4	Company stocks anything necessary to do business				
5	Organization has got packaging to protect the product to add value to activities.				
Effects of information flow on performance					
1	The organization responds quick to customer issues about product and services offered				
2	Does information flow help to increase profits to the company				
3	Organization achieves better services since information is delivered on time				
4	Company uses information to develop better strategies to reduce on cost involved in entire logistics of the firm				
5	Organization share information on inventory policy with our suppliers on how to stock necessary materials to do business				
Relationship between logistic management and organization performance					
1	Helps company to smoothens the supply chain system thus ensuring effective production				
2	Company improves on its performance organization profitability				
3	Organization provides a formidable foundation to meet the user requirement and customer demands				
4	Organization ensures efficiency and effectiveness in its operations				
5	Company achieves big market share due to its quick logistics activities				
6	Organization gives short time for ordering goods and delivering them for business to use the products.				

Appendix III:

Interview Guide

Questions

1. What are the key logistic activities practiced by Britannia Allied Industries (U) limited?
2. What are the effects of information flow on the performance that is exhibited at Britannia Allied Industries (U) limited?
3. Do you think there is link between logistics management and the organization performance at Britannia Allied (U) Industries Limited are related?