

**SUPPLY CHAIN MANAGEMENT AND ORGANIZATIONAL PERFORMANCE  
A CASE STUDY OF DEMA FREIGHT LOGISTICS LIMITED, KAMPALA**

**BY  
AKELLO RACHEAL OJUKA**

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS  
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REQUIREMENTS FOR THE AWARD OF BACHELORS  
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UNIVERSITY**

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# DECLARATION

This dissertation is my original work and has never been presented for any academic award in any university or institution of learning.

Signed

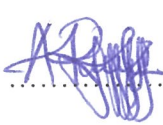


AKELLO RACHEAL OJUKA

BSP/40630/133/DU

[STUDENT]

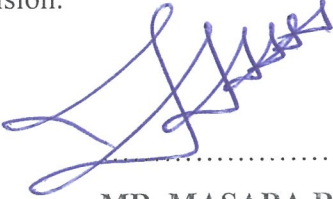
Date

 8/06/2016.

### APPROVAL


I confirm that the work reported in this dissertation was carried out by the candidate under my supervision.

Signed .....



**MR. MASABA RICHARD**  
**[SUPERVISOR]**

Date .....



## DEDICATION

I dedicate this piece of work to my mother Mrs. Milly Aduko and lovely classmates in the College of Economics and Management science, my lecturers especially Ms. Kabasinguzi Christine and my supervisor Mr. Masaba Richrad.



## ACKNOWLEDGEMENT

I extend a vote of thanks to a number of people who unreservedly, contributed towards the accomplishment of this research work. I also would like to acknowledge the assistance and role played by the following personalities to the successful completion of this study. I cannot say exactly how grateful I am to my supervisor, Mr. Masaba Richard. His guidance in this study was beyond measure. Thank you also for providing me with professional advice, encouragement and your time that has spurred me to success.

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May the Almighty God Bless you abundantly

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## CHAPTER ONE

### INTRODUCTION

#### **1.0 Introduction**

This chapter presents the background upon which this research is based. It states the research problem, purpose/ general objective, specific objectives, research questions, scope of the study, study significance and the conceptual framework.

#### **1.1 Background of the study**

Supply chain management involves the activities associated with the flow and transformation of goods and services from extraction up to the final user. In other words, the term supply chain management (SCM) is the flow of materials; information; money and services from material suppliers, through factories and warehouses to the end customer. The term can also be defined as a cross functional approach of managing the flow of raw materials or activities in the organization.

Supply chain management saw its roots way back in 1940s-1950s. During this period the focus of logistics research was on how to use mechanization (e.g., pallets and pallet lifts) to improve the very labor intensive processes of material handling and how to take better advantage of space using racking and better warehouse design and layout. However the 1980s marked the beginning of a sea-change in logistics in the history of supply chain management. The emergence of personal computers in the early 1980s provided tremendously better computer access to planners and a new graphical environment for planning. This spawned a flood of new technology including flexible spreadsheets and map-based interfaces which enabled huge improvements in logistics planning and execution technology.

As competition in the 1990s intensified and markets became global, so did the challenges associated with getting a product and service to the right place at the right time at the lowest cost. Organizations began to realize that it is not enough to improve efficiencies within an organization, but their whole supply chain has to be made competitive. The understanding and practicing of supply chain management (SCM) has become an essential prerequisite for staying competitive in the global race and for enhancing profitability.

Council of Logistics Management (CLM) defines SCM as the systemic, strategic coordination of the traditional business functions and tactics across these businesses functions within a particular organization and across businesses within the supply chain for the purposes of improving the long-term performance of the individual organizations and the supply chain as a whole. SCM has been defined to explicitly recognize the strategic nature of coordination between trading partners and to explain the dual purpose of SCM: to improve the performance of an individual organization, and to improve the performance of the whole supply chain. The goal of SCM is to integrate both information and material flows seamlessly across the supply chain as an effective competitive weapon.

In this study, Supply chain management (SCM) will be understood as the management of the flow of goods and services. It will include the movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption.

The concept of SCM has received increasing attention from academicians, consultants, and business managers alike. Many organizations have begun to recognize that SCM is the key to building sustainable competitive edge for their products and/or services in an increasingly crowded marketplace. The concept of SCM has been considered from different points of view in different bodies of literature such as purchasing and supply management, logistics and transportation, operations management, marketing, organizational theory, and management information systems. Various theories have offered insights on specific aspects or perspectives of SCM, such as industrial organization and associated transaction cost analysis, resource-based and resource-dependency theory, competitive strategy, and social-political perspective.

However, despite the increased attention paid to SCM, the literature has not been able to offer much by way of guidance to help the practice of SCM. This has been attributed to the interdisciplinary origin of SCM, the conceptual confusion, and the evolutionary nature of SCM concept. There is no generally accepted definition of SCM in the literature. The concept of SCM has been involved from two separate paths: purchasing and supply management, and transportation and logistics management. According to purchasing and supply management perspective, SCM is synonymous with the integration of supply base that evolved from the traditional purchasing and materials logistics management, SCM is synonymous with integrated

logistics systems, and hence focus on inventory reduction both within and across organizations in the supply chain. Eventually, these two perspectives evolved into an integrated SCM that integrates all the activities along the whole supply chain.

The evolutionary nature and the complexity of SCM are also reflected in the SCM research. Much of the current theoretical/ empirical research in SCM focuses on only the upstream or downstream side of the supply chain, or certain aspects/perspectives of SCM. Topics such as supplier selection, supplier involvement, and manufacturing performance, the influence of supplier alliances on the organization, success factors in strategic supplier alliances, supplier management orientation and supplier/buyer performance, the role of relationships with suppliers in improving supplier responsiveness, and the antecedence and consequences of buyer–supplier relationship have been researched on the supplier side. Studies such as those by Clark and Lee, and Alvarado and Kotzab focus on the downstream linkages between manufacturers and retailers. A few recent studies have considered both the upstream and downstream sides of the supply chain simultaneously. Tan et al. explores the relationships between supplier management practices, customer relations practices and organizational performance; Frohlich and Westbrook investigate the effects of supplier–customer integration on organizational performance, Tan et al. studied SCM and supplier evaluation practices and relate the constructs to firm performance, Min and Mentzer developed an instrument to measure the supply chain orientation and SCM at conceptual levels. Cigolini et al. developed a set of supply chain techniques and tools for examining SCM strategies. Extensive case studies about the implementation of SCM have been conducted by the IT service providers (such as SAP, People soft, i2 and JDEdwards) and the research firms (such as Forrester Research and AMR Research) (<http://www.supply-chain.org>) and many case histories of successful implementations of SCM have been reported in the literature. Taken together, these studies are representative of efforts to address various diverse but interesting aspects of SCM practices. However, the absence of an integrated framework, incorporating all the activities both upstream and downstream sides of the supply chain and linking such activities to both competitive advantage and organizational performance, detracts from usefulness of the implementation of previous results on SCM.



## **1.2 Problem statement**

The recent business environment is growing to be more challenging, and so, companies have to increase their business operations to stay competitive. According to this idea, one of the most important factors for improving business operations is implementing of supply chain management practices that will translate into improved organizational performance. Although SCM is currently no longer a new strategy, there are still some serious practical problems that have yet to be addressed for example, globalization of manufacturing operations, customer preferences, delays in deliverance of services to the customers, market growth, and accessibility to latest technology. It is also worth noting that most business practitioners lack an understanding of what constitutes a comprehensive set of SCM practices. It is therefore upon this background that researcher will undertake the study about SCM and business performance so as to close the gapes that have been left by different researchers on what constitutes supply chain management.

## **1.3 General objective**

The general objective for this research was to assess the relationship between supply chain management and organizational performance.

## **1.4 Specific objectives**

- (i) To establish the impact of supply chain management on organizational performance of Demafreight logistics ltd
- (ii) To assess the challenges of supply chain management on organizational performance of Demafreight logistics ltd
- (iii) To assess the relationship between supply chain management and organizational performance of Demafreight logistics ltd

## **1.5 Research questions**

- (i) What impact does SCM have on organizational performance of Demafreight logistics ltd?
- (ii) What are the challenges of SCM on organizational performance of Demafreight logistics ltd?
- (iii) How is SCM related to organizational performance of Demafreight logistics ltd?

## **1.6 Study scope**

### **1.6.1 Subject scope**

This research was capitalized on supply chain management (SCM) and organizational performance. In this case SCM was used as an independent variable and organizational performance as dependent variables. The findings of the study focused on the practices that are used in supply chain. The SCM practices are; strategic supplier partnership, customer relationship and information sharing/quality of information.

### **1.6.2 Geographical scope**

Demafreight logistics limited is located in Ntinda along Kiwatule road which is about 3km from the city center. This were selected because it is a clearing and forwarding company which makes the researchers intentions easier as the company is involved in the transportation process (supply chain).

### **1.6.3 Time scope**

This research study ran for the period of 5months, which was from January to May 2016. This period was chosen because the researcher believed that she was able to coherently collect data from the respondents and do all the necessary work required for this research to come to an end.

## **1.7 Significance of the study**

The findings of this study will be significant/ helpful in the following ways.

To scholars and researchers; the findings of the study are expected to contribute to the existing literature regarding marketing research and new product development.

To the researcher; the accomplishment of this study will enable the researcher to acquire hands on skills about processing of research work and data analysis. This research will enable the researcher to handle such related work with a lot of proficiency and precision.

To the company management; the study will help the management of Demafreight logistics ltd to adjust to the latest means of supply chain management.

Reduction in inventory cost; after a thorough understanding of supply chain management practices that will be discussed in this research, any organization can be able to significantly reduce on the costs on which they have been acquiring their inventory. SCM practices like supplier chain partnership for example would ensure mutual understanding between the supplier and the client to effectively negotiate for fair prices to benefit both parties.

Provides better medium for information sharing between partners; information sharing between suppliers is very vital. The users of this research (especially the management of Demafreight) therefore will be able to communicate to themselves effectively by employing new and cheap methods in SCM.

Improvement of customer satisfaction as well as service; after this research, the management of Demafreight logistics will be able to improve their delivery of services to the customer. This is because, customer satisfaction as a SCM practice will be looked in details in this very research.

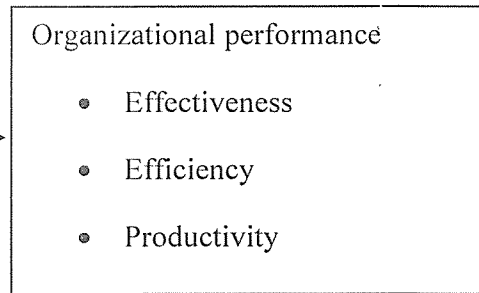
SCM offers various tools and techniques that help business organization to diagnose the problems and also provide solutions of these disruptions around the business environment. It plays an important role in moving goods more quickly to their destinations. The most important thing in today's business is managing competition among partners and in order to win this competition SCM helps business organization in a very efficient manner. All the benefits and importance of SCM makes its future so bright and because of emerging trends in organization SCM becomes the most critical business discipline in the world today.

## 1.8 Conceptual framework

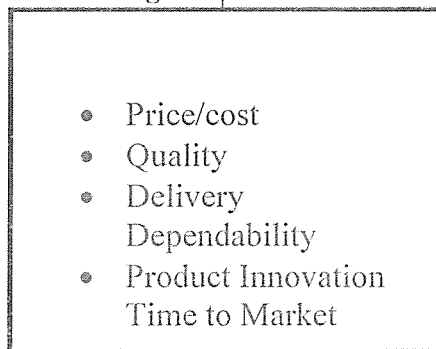
### Independent variable



### Dependent variable



### Intervening variables



*Source: The impact of supply chain management practices on competitive advantage and organizational performance by SuhongLia, Bhanu Ragu-Nathanb, T.S. Ragu-Nathanb, S. SubbaRaob*

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter examines the literature upon which this research is based. It covers the conceptual review, theoretical review and empirical review/review of related literature.

#### 2.1 Conceptual review

**Table 1: List of sub-constructs for SCM practice**

Sub-constructs	Definition
Strategic supplier partnership	The long-term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits.
Customer relationship	The entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction.
Level of information sharing	The extent to which critical and proprietary information is communicated to one's supply chain partner.
Quality of information sharing	Refers to the accuracy, timeliness, adequacy, and credibility of information exchanged.

##### 2.1.1 SCM practices

SCM practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain. Donlon describes the latest evolution of SCM practices, which include supplier partnership, outsourcing, cycle time compression, continuous process flow, and information technology sharing. The five constructs cover upstream (strategic supplier partnership) and downstream (customer relationship) sides of a supply chain, information flow across a supply chain (level of information sharing and quality of information sharing), and internal supply chain process (postponement). It should be pointed out that even though the above dimensions capture the major aspects of SCM practice, they cannot be considered complete. Other factors, such as geographical proximity, JIT/lean capability, cross-

functional teams, logistics integration, agreed vision and goals, and agreed supply chain leadership are also identified in the literature. Though these factors are of great interest, they are not included due to the concerns regarding the length of the survey and the parsimony of measurement instruments. The present study, therefore, proposes SCM practices as a multi-dimensional concept. A more detailed discussion of these dimensions is provided below.

### **Strategic supplier partnership**

It is defined as a long term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits. A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts. Such strategic partnerships are entered into to promote shared benefits among the parties and ongoing participation in one or more key strategic areas such as technology, products, and markets. Strategic partnerships with suppliers enable organizations to work more effectively with a few important suppliers who are willing to share responsibility for the success of the products. Suppliers participating early in the product-design process can offer more cost effective design choices, help select the best components and technologies, and help in design assessment. Strategically aligned organizations can work closely together and eliminate wasteful time and effort. An effective supplier partnership can be a critical component of a leading edge supply chain.

### **Customer relationship**

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



differentiate its product from competitors, sustain customer loyalty, and dramatically extend the value it provides to its customers.

### **Level of information sharing**

Information sharing has two aspects: quantity and quality. Both aspects are important for the practices of SCM and have been treated as independent constructs in the past SCM studies.

*Level (quantity aspect) of information sharing* refers to the extent to which critical and proprietary information is communicated to one's supply chain partner. Shared information can vary from strategic to tactical in nature and from information about logistics activities to general market and customer information. Many researchers have suggested that the key to the seamless supply chain is making available undistorted and up-to-date marketing data at everyone within the supply chain. Betaking the data available and sharing it with other parties within the supply chain, information can be used as a source of competitive advantage. Lalonde considers sharing of information as one of five building blocks that characterize a solid supply chain relationship. According to Stein and Sweat, supply chain partners who exchange information regularly are able to work as a single entity. Together, they can understand the needs of the end customer better and hence can respond to market change quicker. Moreover, Tompkins and An consider the effective use of relevant and timely information by all functional elements within the supply chain as a key competitive and distinguishing factor. The empirical findings of Child house and Towill revealed that simplified material flow, including streamlining and making highly visible all information flow throughout the chain, is the key to an integrated and effective supply chain.

*Quality of information sharing* includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged. While information sharing is important, the significance of its impact on SCM depends on what information is shared, when and how it is shared, and with whom. Literature is replete with example of the dysfunctional effects of inaccurate/delayed information, as information moves along the supply chain. Divergent interests and opportunistic behavior of supply chain partners, and informational asymmetries across supply chain affect the quality of information. It has been suggested that organizations will deliberately distort information that can potentially reach not only their competitors, but also their own suppliers and customers. It appears that there is a built-in reluctance within organizations to give away more than minimal information since information disclosure is perceived as a loss of power. Given these predispositions, ensuring the quality of the shared information becomes a critical aspect of

effective SCM. Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion.

### **2.1.2 Organizational performance**

Organizational performance refers to how well an organization achieves its market oriented goals as well as its financial goals. The short-term objectives of SCM are primarily to increase productivity and reduce inventory and cycle time, while long-term objectives are to increase market share and profits for all members of the supply chain.

For any organization to be productive however, it has got to be efficient and effective in its operations. Financial metrics have served as a tool for comparing organizations and evaluating an organization's behavior over time. Any organizational initiative, including supply chain management, should ultimately lead to enhanced organizational performance. A number of prior studies have measured organizational performance using both financial and market criteria, including return on investment (ROI), market share, profit margin on sales, the growth of ROI, the growth of sales, the growth of market share, and overall competitive position. In line with the above literature, the same items will be adopted to measure organizational performance in this study.

### **2.1.3 Competitive advantage**

Competitive advantage is the extent to which an organization is able to create a defensible position over its competitors. It comprises capabilities that allow an organization to differentiate itself from its competitors and is an outcome of critical management decisions. The empirical literature has been quite consistent in identifying price/cost, quality, delivery, and flexibility as important competitive capabilities. In addition, recent studies have included time-based competition as an important competitive priority. Research by Stalk, Vesey, Handfield and Pannesi, Kessler and Chakrabarti, Zhang identifies time as the next source of competitive advantage. On the basis of prior literature, Koufteros et al describes research framework for competitive capabilities and define the following five dimensions: competitive pricing, premium pricing, value-to-customer quality, dependable delivery, and production innovation. Based on the above, the dimensions of the competitive advantage constructs used in this study are price/cost, quality, delivery dependability, product innovation, and time to market.



## **2.2 Theoretical review**

This section discusses the literature regarding theories upon which this study will be based.

### **Systems Theory**

In SCM context systems theory brings together various components of a complex supply chain (that is the human, capital, information, materials and financial resources etc.) to form a subsystem which is then part of a larger system of supply chains or network. The theory argues that for a holistic perspective systems theory must be employed to understand the internal and external factors that shape an organisation's supply chain performance.

### **Strategic Choice Theory**

This is a relatively less explored theory due to difficulty and its limits in implementation. The main focus of the systems choice theory is to address strategic issues and political forces related to supply chains as a whole in contrast to functional approach regarding individual supply chain firms.

### **Transaction Cost Economics (TCE)**

The main question that Transaction cost economics tries to answer is why firms exist? In SCM context, TCE aims to reduce the costs associated with carrying out a transaction when deciding whether to make-or-buy. There are three attributes which influence a firm's decision to make or buy: frequency of transaction, asset specificity and degree of uncertainty associated with a transaction. In general TCE theory argues that different control and governance mechanisms should be employed to mitigate the risk of opportunistic behaviour of supply chain firms when outsourcing.

### **Network Perspective**

Network perspective theory argues that firms rely not only on their relationship with direct partners but with the extended network of relationships with supply chain firms. It argues that competitive advantage can only be achieved through efficiently and effectively orchestrated supply chains. Therefore the focus of the network perspective is to develop long-term, trust based relationship between supply chain firms.

## **Social Network Theory**

The SNT looks at the behavioral and social aspects of many different relationship types, including firm-firm, individual-firm and individual-individual relationships. It helps to analyse these relationships from different perspectives such as technical, financial and social elements. (Stephen Pryke's Book on "Social Network Analysis in Construction " is a good read for those interested in SNT in construction.)

## **2.3 Empirical review**

The empirical review studies lay the related literature of the concept (supply chain management) as looked at by different scholars. It also discusses the findings about the same topic.

Wu and Olson proposed a supply chain model and used emulated data with representative distributions. The results showed that the proposed approach allows decision makers to perform trade-off analysis among uncertainties. They also provide alternative tools to evaluate and improve supplier selection decisions in an uncertain supply chain environment.

Sodhi and Tang surveyed various modeling and solution choices developed in the asset-liability management (ALM) literature and discussed their applicability to supply chain planning. This survey can be a basis for making modeling/solution choices in research and in practice to manage the risks pertaining to unmet demand, excess inventory, and cash liquidity when demand is uncertain.

Ritchie and Brindley examined the constructs underpinning risk management and explored its application in the supply chain context through the development of a framework.

Khan and Burnes developed a research agenda for risk and supply chain management. These authors showed that there are a number of key debates in the general literature on risk, especially in terms of qualitative versus quantitative approaches, which need to be recognized by those seeking to apply risk theory and risk management approaches to supply chains. In addition, they show that the application of risk theory to supply chain management is still in its early stages and that the models of supply chain risk which have been proposed need to be tested empirically

Other scholars who contributed to the study of SCM include; Tan et al identified six aspects of SCM practice through factor analysis: supply chain integration, information sharing, supply

chain characteristics, customer service management, geographical proximity and JIT capability. Chen and Paulraj used supplier base reduction, long-term relationship, communication, cross-functional teams and supplier involvement to measure buyer–supplier relationships. Min and Mentzer identified the concept SCM as including agreed vision and goals, information sharing, risk and award sharing, cooperation, process integration, long-term relationship and agreed supply chain leadership.

Thus the literature portrays SCM practices from a variety of different perspectives with a common goal of ultimately improving organizational performance.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter covers the background against which data was gathered. It discusses the research design, study population, sampling, and study variables, sources of data, data collection methods and instruments, data processing, analysis and presentation, and finally the study limitations.

#### **3.1 Research Design**

The researcher used a cross sectional survey design basing on the use of qualitative and quantitative approaches that was adopted to establish the relationship between marketing research and new product development. In this study, data was collected using both primary sources like questionnaires and interviews and secondary data sources. This design was used for profiling, defining, segmenting, estimating, predicting, and examining associative relationship between the two variables. Cross-sectional studies easily provide a quick snapshot of what is going on with the variables for the research problem.

#### **3.2 Target Population**

Target population refers to the larger population to which the researcher ultimately would like to generalize the results of the study (Berg, 2001). It is therefore the entire group of individuals, events or objects having a common observable characteristic. The researcher used a population of 57 employees of Demafreight Logistics Limited.

#### **3.3 Sampling design, size and selection**

The study mainly employed two sampling methodologies that is, stratified sampling and simple random sampling methods.

#### **3.4 Sample size**

This research involved 50 respondents. The sample selected by the researcher was representative enough of the entire population.

The sample size was determined using *Slovene's Formula* as expressed below;

$$n = \frac{N}{1 + Ne^2}$$

Where n= sample size, N= population size and e= sample probability= 0.05

N= Study Population = 71 respondents

$$n = \frac{57}{1 + 57 \times (0.05)^2}$$

$$n = \frac{57}{1.1425}$$

n= 50 respondents

### 3.5 Sampling techniques

Sampling is a process of selecting a few representatives from a big group (the sampling population) to become the basis for estimating or predicting facts, situations, or outcomes regarding the bigger group (Kurmar, 1999).

Stratified random sampling was used in this study divided three strata of managers, employees and customers. Each stratum represented a number of members from which the 50 representatives were selected using simple random sampling.

### 3.6 Sources of data

Two sources of data were used for the purpose of this research that is, primary data collection source and secondary data collection source.

#### Secondary data collection

Raston (2001) defines secondary data as that kind of data that is available, already reported by some other scholars. Secondary data include policy documents and abstracts of the various scholars relating to the point of discussion in question. Secondary data for this research was got

from sources like libraries, records from Demafreight Logistics Ltd, newspapers and magazines, online information, text books, and published research reports. This is because data in such sources is readily available and easier to comprehend, as it comprised of extensively researched work.

### **Primary data collection**

According to Raston (2001), primary data is that kind of data that has been gathered from the first time, it has never been reported anywhere. It minimizes the shortcomings of secondary data sources such as datedness and inadequacy in terms of coverage. Self-administered questionnaires were used and this enabled the researcher to cover a large population quickly and at a reasonable cost.

### **3.7 Methods of data collection and instruments**

#### **Questionnaires**

A questionnaire is a reformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. The questionnaires were used on the basis that the variables under study could not observe for instance the views, opinions, perceptions and feelings of the respondents. The questionnaires were equally used because the information was collected from a large sample within a short period of time yet the respondents could read and write (Sekaran, 2003). The questionnaires consisted of both open and close ended questions administered to respondents from Demafreight Logistics Ltd as far as to how supply chain risk management influences the organization's performance.

#### **Interviews**

The researcher also administered interviews. An interview is a dialogue between an interviewer and interviewee. It is an organized conversation aimed at gathering data about a particular topic. This is where a researcher interviews respondents to obtain information on the issue of interest. In this case, the interview during this research was structured and administered to staff of Demafreight Logistics Limited (D.L.L)

### 3.8 Data quality control

#### Validity

Amin (2005) defines validity as the appropriateness of the instrument. Experts in the field were consulted about the content of instruments, ambiguity of question items and their relevancy. Validity is important in determining whether the statements in the questionnaire instrument and interview manuals are relevant to the study. Content and construct validity were obtained by the help of the supervisors input who acted as reviewer during the report stage of the study. According to Amin (2004), validity can be and in this case was assured by use of the Content Validity Index (C.V.I)

$$C.V.I = \frac{\text{Agreed items by all judges as suitable}}{\text{Total number of items being judged}}$$

#### Reliability

Reliability of data refers to whether repeating the same measurement under similar conditions yields the same results (Kumar, 1990). Amin (2005) defines reliability as the consistency of the instrument in measuring whatever it is intended to measure. The reliability of the questionnaires was improved through pretesting of pilot samples from the field which enabled the rephrasing of some questions. Additionally, reliability of the items was done with the application of the Cronbach Alpha coefficient as illustrated below;

$$A = \frac{K}{K-1} \left( 1 - \frac{\sum SD^2}{\sum Dt^2} \right)$$

Where A= Reliability,  $1 - \sum SD^2$  =sum of the variance of the individual items in the questionnaire,  $\sum Dt^2$  =variance of the entire questionnaire, and K= Number of items in the questionnaire.

### 3.9 Study variables and measurements

The independent variable for this study is marketing research while new product development serves as a dependent variable. However there are other intervening variables which are assumed to affect new product development visa-vie marketing research. All these variables are clearly shown under the conceptual framework in the chapter one of this study. The scale of both



marketing research and product development was measured on a 5 point scale such as Strongly Disagree(SD) = 1, Disagree(D) = 2, Neutral(N) = 3, Agree(A) = 4, and Strongly Agree(SA) = 5.

### **3.10 Ethical consideration**

It is important during the process of research for the researcher to make respondents aware that participation is voluntary and that participants are free to refuse to answer any question and to withdraw from participation at any time they are chosen.

Another important consideration involves getting the informed consent of those who are going to be met during the research process which involves interviews and observations on issues that may be dedicated to some respondents, the researcher undertakes to bear this seriously in mind.

Personal privacy and confidentiality are very important since the report is public. If private information has been accessed, the confidentiality has to be maintained (Stephan P. 2002). All respondents were therefore be re-assured of this before being involved.

Accuracy and honesty during this research is very important for academic research to be protected. The researcher should treat the research with utmost care, in that there should be no temptation to cheat and generate research results, since it jeopardizes the concept of research.

### **3.11 Study limitations**

The researcher accounted a few limitations during the research especially when it came to intervening. They included the following;

*Time:* the researcher faced a challenge of limited to beat the deadlines as stipulated in the time scope.

*Financial challenges:* the researcher also faced financial challenges while carrying out the study. This however was solved through adjusting the estimated budget by minimizing expenses as much as possible. Fore stance, by doing the entire research for themselves without including any research assistance like typing among others.

*Language barrier:* the researcher found it difficult to communicate with the multi-ethnics. This was due to a variety of languages spoken especially by the customers of the company.



*Rigidity of information due to competition:* the researcher faced with low responses from the respondents since they were afraid that the researcher may be seeking information to outcompete their organization.

*Reluctance to respond:* some of the respondents were reluctant to give the required information, as they were uneasy and suspicious of the information to be gathered and thinking that the data might be used for other motives against them. However this was solved by letting the respondents clearly now that the research was purely for academic purpose.

## CHAPTER FOUR

### PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

#### 4.0 Introduction

This chapter comprises of the findings that were gathered by the researcher from the staff of Demafreight Logistics Limited, Kampala in relation to the topic Supply Chain Management and Organizational Performance. The data is presented and interpreted in view of the objectives mentioned in chapter one of this research. The interpretation also seeks to answer the research questions that were raised in chapter one. Presentation and interpretation of data in this chapter has been done with the aid of quantitative and qualitative methods for example the use of tables, graphs, percentages and personal analysis and interpretation presented in essay form. Questionnaires were provided to 50 respondents who filled them to the best of their knowledge.

#### 4.1 Demographic Characteristics

##### 4.1.1 Gender of respondents

Table i: Showing Gender respondents

Respondents	Frequency	Percentage
Male	35	70
Female	10	20
Others	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: primary data, 2016

From the table above, it can be seen that the majority of respondents are male that is 35 respondents representing 70% of the total respondents, 10 respondents are female representing 20% of the respondents and 5 respondents representing 10%. From the above presentation, it is clear that although many of the respondents were male representing the highest percentage, the issue of gender sensitivity was adhered to by few female who were selected.

#### 4.1.2 Age of respondents

Table ii: showing the age of respondents

Age group	Frequency	Percentage
18 and below	4	8
19-30	20	40
31-40	22	44
41-50	3	6
50+	1	2
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data, 2016

From the tabulation above presentation, it is clear that the age bracket of 31-40 has the highest percentage of 44% of the total respondents because they were considered to be the majority and being learned to contribute much information towards the subject of the study. This was followed by respondents who fall in the age bracket of 19-30 with 40% of total respondents and followed by those of 18 and below with 8%, 41-45 respondents representing 6% and finally 50 and above representing 2%. The bracket of 50 and plus had few respondents compared to other people who fall in other age brackets.

#### 4.1.3 Academic Qualifications of respondents

Table iii: Showing academic qualifications of the respondents

Qualifications	Frequency	Percentage
Secondary	9	18
Certificate	11	22
Diploma	12	24
Degree	16	32
others	2	4
<b>Total</b>	<b>50</b>	<b>100</b>

Source: primary data, 2016

From the above table it is seen that that the majority of the staff in Demafreight Logistics Company are degree holders representing 32% followed by diploma holders at 24% followed by certificate holders representing 22% followed by certificate holders by 18% and finally others by 2 respondents representing a total percentage of 4% of the total respondents. This implies that the respondents from Demafreight Logistics Company are well educated and therefore the information obtained from them can be relied upon for the purpose of this study.

#### 4.1.4 Marital status of respondents

Table iv: Showing marital status of the respondents

Marital status	Frequency	Percentage
Married	29	58
Single	12	24
Others	09	18
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary Data, 2016

Results in table 4 indicated that majority of the respondents were married representing 58% of the respondents followed by single with 12 respondent with 24%, followed by others with 18% of respondents. This implies that the respondents are well divided and belonged to all categories as shown above but in general analysis it indicates that most people belong to organized families and are married hence Information can therefore be relied on for making serious decisions in organizations.

#### 4.1.5 Occupational duration of worker at the company in years

**Table v: Showing Occupational duration of workers at the company in years**

<b>Duration (In Years)</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 2 years	4	8
2-5 years	10	20
5-8 years	15	30
Over 8 years	21	42
<b>Total</b>	<b>50</b>	<b>100</b>

**Source: primary data, 2016**

From the above table it is seen that that the majority of the attendants in Demafreight Logistics belonged to the duration bracket of 8 years and above representing 42% followed by 5-8 years at 30% followed by 2-5 years representing 20% and finally less than 2 years by 4 respondents representing a total percentage of 8% of the total respondents. This implies that the respondents from Demafreight Logistics Company have spent many years and therefore the information obtained from them can be relied upon for the purpose of this study.

## **4.2 The impact of supply chain management on organizational performance of Demafreight logistics Ltd**

The first objective of the study was to establish the impact of supply chain management on organizational performance of Demafreight logistics ltd. Respondents were asked whether Supply chain management (SCM) has any impact on the performance of the organization and data collected presented as below.

### **4.2.1 Whether Supply chain management (SCM) has any impact on the performance of the organization at Demafreight logistics ltd.**

**Table vi: Showing Whether Supply chain management (SCM) has any impact on the performance of the organization at Demafreight logistics ltd, Kampala district**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	30	60
No	10	20
Not sure	10	20
<b>Total</b>	<b>50</b>	<b>100</b>

**Source: Primary data, 2016**

From the table above, 30 respondents representing a total number of respondents of 60% agreed that Supply chain management (SCM) has an impact on the performance of the organization at Demafreight logistics ltd, Kampala district, 20% of the total respondents disagreed and same total number of respondents were not sure to whether Supply Chain Management (SCM) has any impact on the performance of the organization at Demafreight logistics ltd, Kampala district. This implies that Supply Chain Management impact much on the performance of the organization at Demafreight logistics ltd, Kampala district.

#### 4.2.3 How Supply Chain Management impact on the performance of the organization at Demafreight logistics ltd, Kampala district.

Respondents were asked on how Supply Chain Management impact on the performance of the organization at Demafreight logistics ltd, Kampala district and data collected presented as below.

**Table vii: showing how Supply Chain Management impact on the performance of the organization at Demafreight logistics ltd, Kampala district**

Response	Frequency	Percentage
Strategic supplier partnership	10	20
Customer relationship	11	22
Level of information sharing	9	18
Quality of information sharing	12	24
Strategic supplier partnership	8	16
<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Primary data 2016

From the tabulation above on how Supply Chain Management impact on the performance of the organization at Demafreight logistics ltd, Kampala district, it is seen that Strategic supplier partnership had 10 respondents representing 20%, customer relationship with 11 respondents representing 22%, level of information sharing with 9 respondents representing 18%, quality of information sharing with 12 respondents representing 24%, and lastly strategic supplier partnership representing 8 respondents with 16%. This imply that SCM affects the performance of organization in Demafreight logistics ltd, Kampala district.

#### **4.3 The relationship between supply chain management and organizational performance of Demafreight logistics ltd**

The third objective of the study was to assess the relationship between supply chain management and organizational performance of Demafreight logistics ltd whereby respondents were asked whether Supply Chain management has any relationship with organizational performance and data collected presented as below.

##### **4.3.1 Whether Supply chain management (SCM) has any relationship with organizational performance in Demafreight logistics ltd, Kampala district**

**Table viii: Showing Whether Supply chain management (SCM) has any relationship with organizational performance in Demafreight logistics ltd, Kampala district.**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	33	66
No	10	20
Not sure	7	14
<b>Total</b>	<b>50</b>	<b>100</b>

**Source: Primary data, 2016**

From the table above, 33 respondents representing a total number of respondents of 66% agreed that Supply chain management (SCM) has relationship with organizational performance at Demafreight Logistics Ltd, Kampala district, 20% of the total respondents disagreed and 14% of respondents were not sure to whether Supply Chain Management (SCM) has relationship with organizational performance at Demafreight logistics Ltd, Kampala district. According to the above findings. it implies that Supply Chain Management is related with organizational performance at Demafreight logistics ltd, Kampala district.



#### 4.3.2 How Supply Chain Management is related with organizational performance at Demafreight logistics ltd, Kampala district

Respondents were asked on how Supply Chain Management is related with organizational performance at Demafreight logistics ltd, Kampala district and data collected presented as below.

**Table ix: showing how Supply Chain Management is related with organizational performance at Demafreight Logistics Ltd, Kampala district.**

Response	Frequency	Percentage
Improving supplier responsiveness	12	24
Practices and relate the constructs to firm performance	10	20
Operational measures for the constructs are developed	9	18
Agreed supply chain leadership	11	22
Strategic and operational capabilities of individual participating organizations	8	16
<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Primary data 2016

From the table above on how Supply Chain Management is related with organizational performance at Demafreight Logistics Ltd, Kampala district, it is seen that improving supplier responsiveness had 12 respondents representing 24%, Practices and relate the constructs to firm performance with 10 respondents representing 20%, Operational measures for the constructs are developed with 9 respondents representing 18%, Agreed supply chain leadership with 11 respondents representing 22%, and finally Strategic and operational Capabilities of individual participating organizations representing 8 respondents with 16%. This

imply that Supply Chain Management is related with organizational performance at Demafreight Logistics Ltd, Kampala district, Kampala district according to the findings above.

#### **4.4 The challenges organization encounters during the application of Supply chain practices for better performance**

The second objective of the study was to assess the challenges the organization encounter during the application of supply chain management and the data collected as below;

##### **4.4.1 Challenges organization encounters during the application of Supply chain practices for better performance**

**Table x: Showing the challenges organization encounters during the application of Supply chain practices for better performance**

Response	Frequency	Percentage
Globalization of manufacturing operation	13	26
Less inventory and better throughput	9	18
Supplier base consolidation	11	22
Access to latest technology	7	14
Sometime logistics is treated as a strategic activity.	6	12
<b>Total</b>	<b>50</b>	<b>100</b>

**SOURCE:** Primary data 2016

From the tabulation above, it is seen that to some extent, there are challenges organization encounters during the application of Supply chain practices for better performance according to Globalization of manufacturing operation with 13 respondents represented by 26%, Less inventory and better throughput representing 18% of the respondents, supplier base consolidation with 22% of the respondents, access to latest technology with 7 respondents representing 14% and sometimes logistics is treated as a strategic activity with 12% of the respondents

#### 4.5 Supply chain management and Strategic Supplier Partnership

Respondents were also asked whether there is effect of strategic partnership towards supply chain management and data collected presented as below;

**Table xi: Showing the effect of strategic partnership towards supply chain management at Demafreight Logistics Ltd, Kampala district.**

Strategic supplier partnership	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Long-term suppliers help in cost effective design choice	37	74	3	6	4	8	1	2	5	10	50	100
Strategically aligned suppliers can work together and eliminate wasteful effort and time	30	60	7	14	2	4	8	16	3	6	50	100
A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts	20	40	10	20	5	10	7	14	8	16	50	100
Your long-term suppliers help in selecting the best components and	15	30	8	16	7	14	8	16	12	24	50	100

technologies, and help in design assessment												
Your relationship with the contractors influences operational and strategic capabilities in order to help your organization achieve significant benefits	25	50	5	10	0	0	9	18	11	22	50	100
Long-term relationship with your contractors means that you share risks and benefits	30	60	9	18	5	10	4	8	2	4	50	100

**Source: Primary Data, 2016**

From the table above, on the effect of strategic partnership towards supply chain management at Demafreight Logistics Ltd, Kampala district, 74% strongly agreed with Long-term suppliers help in cost effective design choice, 6% agreeing as well, while 8% respondents were recorded for not being sure, 2% disagreed and 10% strongly in disagreed.

60% of the respondents agreed in strategically aligned suppliers can work together and eliminate wasteful effort and time, 14% agreed, 4% of the respondents were not sure, 16% disagreed and 6% strongly disagreed.

A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts had 40% respondents who strongly agreed, 20% agreed, 10% were not sure, while 14% disagreed and 16% strongly disagreed.

Your long-term suppliers help in selecting the best components and technologies, and help in design assessment had 30% who strongly agreed, 16% agreed, 14% were not sure, 16% disagreed and 24% strongly disagreed.

Your relationship with the contractors influences operational and strategic capabilities in order to help your organization achieve significant benefits had 50% of the respondents who strongly agreed, 10% agreed, none were not sure, 18% disagreed and 22% strongly disagreed.

Long-term relationship with your contractors means that you share risks and benefits had 60% of the respondents who strongly agreed, 18% agreed, 10% were not sure, 8% disagreed and 4% strongly disagreed.

#### 4.6 Supply chain management (SCM) and customer relationship

Respondents were asked whether there is effect of customer relationship towards supply chain management and data collected presented as below;

**Table xii: Showing the effect of customer relationship towards supply chain management at Demafreight Logistics Ltd, Kampala district.**

Customer Relationship	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Customer relationship practices help to build long-term relationship with your contractors	30	60	10	20	4	8	5	10	1	2	50	100
Customer relationship practices help in managing customer complaints in your organization	40	80	4	8	4	8	0	0	2	4	50	100

Customer relationship practices help your organization to improve customer satisfaction	32	60	9	18	2	4	4	8	3	6	50	100
Customer relationship is a tool to achieving a competitive edge in your organization	25	50	14	28	5	10	4	8	2	4	50	100
Customer loyalty in your organization is achieved due to customer relationship employed in your organization	29	58	14	28	2	4	3	15	5	10	50	100
Customer relationship allows your organization to differentiate itself from competitors	22	44	15	30	3	6	6	12	4	8	50	100

**Source: Primary Data, 2016**

The data collected above shows that In line with the response to the effect of customer relationship towards supply chain management at Demafreight Logistics Ltd, Kampala **district**, Customer relationship practices help to build long-term relationship with your contractors had 60% of the respondents who strongly agreed, 20% agreed, 8% disagreed, 10% respondents were not sure and 2% strongly disagreed.

Customer relationship practices help in managing customer complaints in your organization had 80% of the respondents who strongly agreed, 8% agreed, 8% disagreed, none of the respondents strongly disagreed and 4% were not sure. This is where most respondents agreed and strongly agreed.

Customer relationship practices help your organization to improve customer satisfaction had 60% of the respondents who strongly agreed, 18% agreed, 4% disagreed, 8% of the respondents were not sure and 6% strongly disagreed.

50% of the respondents strongly agreed with Customer relationship is a tool to achieving a competitive edge in your organization, 28% agreed, 10% disagreed and 4% of the respondents strongly disagreed and no respondent was not sure.

Customer loyalty in your organization is achieved due to customer relationship employed in your organization had 58% of the respondents who strongly agreed, 28% agreed, 4% were not sure, 15% disagreed and 10% of the respondents strongly disagreed.

Customer relationship allows your organization to differentiate itself from competitors had 44% of the respondents who strongly agreed, 30% agreed, 6% were not sure, 12% disagreed and 8% of the respondents strongly disagreed.

#### **4.7 Supply Chain Management and Information Sharing at Demafreight Logistics Ltd, Kampala**

The study was based on finding the effect of Information Sharing on Supply Chain Management at Demafreight Logistics Ltd, Kampala and data collected presented as below;

**Table xiii: Showing responses to the effect Information Sharing on Supply Chain Management at Demafreight Logistics Ltd, Kampala**

Information sharing	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
The information shared in your organization is strategic and tactic, about logistic	30	60	0	00	3	6	15	30	2	4	50	100

activities, about costumers and market, product availability, inventory levels, expeditions and production requirement status												
Sharing information with other partners within the SC can be used as a competitive advantage tool	31	62	2	4	5	10	11	22	1	2	50	100
Information sharing helps you and your contractors work as a single entity	23	46	7	14	10	20	8	16	2	4	50	
The information shared within your organization is accuracy and timely	25	50	2	4	19	38	1	2	3	6	50	100
The information shared within your organization is adequate and can be relied upon	20	40	10	20	5	10	15	30	0	0	50	100
Information sharing can help understand the needs of the end customer better and hence can help the	30	60	9	18	6	12	3	6	2	4	50	100



organization respond to market change quicker												
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Source: Primary Data, 2016

From the table above on the effect Information Sharing on Supply Chain Maragement at Demafreight Logistics Ltd, Kampala, The information shared in your organization is strategic and tactic, about logistic activities, about costumers and market, product availability, inventory levels, expeditions and production requirement status had 60% of the respondents strongly agreed, none of the respondents agreed, 6% were not sure, 30% disagreed and 4% of the respondents strongly disagreed.

Sharing information with other partners within the SC can be used as a competitive advantage tool had 62% of the respondents who strongly agreed, 4% agreed, 10% were not sure, 22% disagreed and 2% strongly disagreed.

Information sharing helps you and your contractors work as a single entity had 46% of the respondents who strongly agreed, 14% agreed, 20% were not sure, 16% disagreed and 4% strongly disagreed.

The information shared within your organization is accuracy and timely had 50% of the respondents who strongly agreed, 38% of the respondents were not sure 4% agreed, 2% who disagreed and 6% who strongly disagreed and 2% were not sure.

The information shared within your organization is adequate and can be relied upon had 40% of the respondents who strongly agreed, 20% agreed 10% were not sure and 14 % disagreed and 16% strongly disagreed.

Information sharing can help understand the needs of the end customer better and hence can help the organization respond to market change quicker had 60% of the respondents who strongly agreed, 18% agreed 12% were not sure and 6 % disagreed and 4% strongly disagreed.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND AREAS OF FURTHER RESEARCH

#### 5.0 Introduction

The study was carried out with the view to assess the relationship between supply chain management and organizational performance using Demafreight Logistics Limited, Kampala district as a case study. This chapter is concerned with summary, conclusion, recommendations and suggestions about the findings that were gathered from the case study and the areas of further research.

#### 5.1 Summary of the findings

30 respondents representing a total number of respondents of 60% agreed that Supply chain management (SCM) has an impact on the performance of the organization at Demafreight logistics ltd, Kampala district, 20% of the total respondents disagreed and same total number of respondents were not sure to whether Supply Chain Management (SCM) has any impact on the performance of the organization at Demafreight logistics Ltd, Kampala district.

On the impact of Supply Chain Management on the performance of the organization at Demafreight logistics ltd, Kampala district, the data collected presented majority of respondents were that Strategic supplier partnership had 20%, customer relationship with 11 respondents representing 22%, level of information sharing with 9 respondents representing 18%, quality of information sharing with 12 respondents representing 24%, and lastly strategic supplier partnership representing 8 respondents with 16%.

33 respondents representing a total number of respondents of 66% agreed that Supply chain management (SCM) has relationship with organizational performance at Demafreight Logistics Ltd, Kampala district, 20% of the total respondents disagreed and 14% of respondents were not sure to whether Supply Chain Management (SCM) has relationship with organizational performance at Demafreight logistics Ltd, Kampala district.

The relationship between supply chain management and organizational performance at Demafreight logistics Ltd, Kampala district, it's evident that Supply Chain Management is related with organizational performance at Demafreight Logistics Ltd, Kampala district in a way that that improving supplier responsiveness had 12 respondents representing 24%, Practices and relate the constructs to firm performance with 10 respondents representing 20%, Operational measures for the constructs are developed with 9 respondents representing 18%, Agreed supply chain leadership with 11 respondents representing 22%, and finally Strategic and operational Capabilities of individual participating organizations representing 8 respondents with 16%.

On the challenges organization encounters during the application of Supply chain practices for better performance, it is evident that there are challenges encountered according to Globalization of manufacturing operation with 13 respondents represented by 26%, Less inventory and better throughput representing 18% of the respondents, supplier base consolidation with 22% of the respondents, access to latest technology with 7 respondents representing 14% and sometimes logistics is treated as a strategic activity with 12% of the respondents.

On the effect of strategic supplier partnership towards supply chain management at Demafreight Logistics Ltd, Kampala district, it is evident that there is effect of statgeic partnership on supply chain management following the respondents who strongry agree and agree in a way that 84% with Long-term suppliers help in cost effective design choice, Strategically aligned suppliers can work together and eliminate wasteful effort and time with 74%, A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts with 60%, Your long-term suppliers help in selecting the best components and technologies, and help in design assessment with 46%, Your relationship with the contractors influences operational and strategic capabilities in order to help your organization achieve significant benefits with 60% and Long-term relationship with your contractors me ins that you share risks and benefits with 78%.

The effect of customer relationship towards supply chain management at Demafreight Logistics Ltd, Kampala district, of the respondents who strongly agreed and agreed, it's evident that there are effects of customer relationship towards supply chain management at Demafreight Logistics Ltd, Kampala district, majority respondents were Customer relationship practices help in managing customer complaints in your company had 88%, Customer relationship practices help

to build long-term relationship with your contractors had 80, Customer relationship practices help your organization to improve customer satisfaction had 78%, Customer relationship is a tool to achieving a competitive edge in your organization had 78%, Customer loyalty in your organization is achieved due to customer relationship employed in your organization had 86% and Customer relationship allows your organization to differentiate itself from competitors had 74%.

The effect of information sharing towards supply chain management at Demafreight Logistics Ltd Kampala district, of the respondents who strongly agreed and agreed, it's evident that there are effects of information sharing towards supply chain management at Demafreight Logistics Ltd Kampala district, majority respondents were that Information sharing can help understand the needs of the end customer better and hence can help the organization respond to market change quicker had 78%, The information shared in your organization is strategic and tactic, about logistic activities, about costumers and market, product availability, inventory levels, expeditions and production requirement status had 60%, Sharing information with other partners within the SC can be used as a competitive advantage tool had 66%, Information sharing helps you and your contractors work as a single entity had 60%, The information shared within your organization is accuracy and timely had 54% and The information shared within your organization is adequate and can be relied upon had 60%

## **5.2 Conclusions**

The purpose of the study of the study was to assess the relationship between supply chain management and organizational performance using Demafreight Logistics Limited, Kampala district as a case study and it was carried out on the three research objectives which included to: establish the impact of supply chain management on organizational performance of Demafreight logistics ltd, assess the challenges of supply chain management on organizational performance of Demafreight logistics ltd and to assess the relationship between supply chain management and organizational performance of Demafreight logistics ltd.

Supply Chain Management impact much on the performance of the organization at Demafreight logistics ltd, Kampala district as it was seen that Strategic supplier partnership had 10 respondents representing 20%, customer relationship with 11 respondents representing 22%,



level of information sharing with 9 respondents representing 18%, quality of information sharing with 12 respondents representing 24%, and lastly strategic supplier partnership representing 8 respondents with 16%. It can be concluded that Supply chain management impacts on the performance of organization in Demafreight logistics ltd, Kampala district.

The findings reveal that Supply Chain Management is related with organizational performance at Demafreight Logistics Ltd, Kampala district, Kampala district, according to the respondents that improving supplier responsiveness had 12 respondents representing 24%, Practices and relate the constructs to firm performance with 10 respondents representing 20%, Operational measures for the constructs are developed with 9 respondents representing 18%, Agreed supply chain leadership with 11 respondents representing 22%, and finally Strategic and operational Capabilities of individual participating organizations representing 8 respondents with 16%. It can be concluded that Supply Chain Management is related with organizational performance at Demafreight Logistics Ltd, Kampala district, Kampala district according to the findings above.

The findings reveal that there are challenges organization encounters during the application of Supply chain practices for better performance according to Globalization of manufacturing operation with 13 respondents represented by 26%, Less inventory and better throughput representing 18% of the respondents, supplier base consolidation with 22% of the respondents, access to latest technology with 7 respondents representing 14% and sometimes logistics is treated as a strategic activity with 12% of the respondents.

The findings on the effect of strategic supplier partnership towards supply chain management at Demafreight Logistics Ltd, Kampala district, reveal that according to the largest number of respondents who strongly agreed and agreed there is effect of strategic partnership on supply chain management following the respondents who strongly agree and agree in a way that 84% with Long-term suppliers help in cost effective design choice, Strategically aligned suppliers can work together and eliminate wasteful effort and time with 74%, A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts with 60%, Your long-term suppliers help in selecting the best components and technologies, and help in design assessment with 46%, Your relationship with the contractors influences operational and strategic capabilities in order to help your organization achieve

significant benefits with 60% and Long-term relationship with your contractors means that you share risks and benefits with 78%.

The findings reveal that according to the largest number of respondents who strongly agreed and agreed there are effects of customer relationship towards supply chain management at Demafreight Logistics Ltd, Kampala district, of the respondents who strongly agreed and agreed, in a way that customer relationship practices help in managing customer complaints in your company had 88%, customer relationship practices help to build long-term relationship with your contractors had 80, customer relationship practices help your organization to improve customer satisfaction had 78%, Customer relationship is a tool to achieving a competitive edge in your organization had 78%, Customer loyalty in your organization is achieved due to customer relationship employed in your organization had 86% and Customer relationship allows your organization to differentiate itself from competitors had 74%.

The findings reveal that according to the largest number of respondents who strongly agreed and agreed there are effects of information sharing towards supply chain management at Demafreight Logistics Ltd Kampala district according to information sharing can help understand the needs of the end customer better and hence can help the organization respond to market change quicker had 78%, The information shared in your organization is strategic and tactic, about logistic activities, about customers and market, product availability, inventory levels, expeditions and production requirement status had 60%, Sharing information with other partners within the SC can be used as a competitive advantage tool had 66%, Information sharing helps you and your contractors work as a single entity had 60%, The information shared within your organization is accuracy and timely had 54% and The information shared within your organization is adequate and can be relied upon had 60%

### **5.3 Recommendations**

The researcher recommends that companies should choose managers who are at higher managerial levels as respondents for the betterment of the organizations. The companies should be asked to refer to their major suppliers or customers for relevant issues.

The companies using supply chain management should be having supply chain which is aware of the cost of poor organizational performance. The employees need to be informed that chain loss

through theft, breakage, or loss must be paid for. This will increase seriousness at work and reduce spoilage of goods.

Future researcher should seek to measure the level that Supply Chain Management (SCM) practices and activities that comprise SCM processes are currently being utilized in the organizations.

Any organizational initiative, including supply chain management, should ultimately lead to enhanced organizational performance and Companies should make sure that the information shared is accuracy and timely.

#### **5.4 Areas of further research**

The results presented in this report may not be conclusive and should be treated as being preliminary. Further analysis of the survey data on supply chain management and organizational performance needs to be done to validate these findings and provide greater confidence in explaining the interaction of the variables. Therefore based on these there is need for further study to be conducted on the following.

- The impact of supply chain management business processes on competitive advantage and organizational performance
- Supply Chain Management and Performance
- A Review of Structural Relationship Between Supply Chain Management and Organizational Performance

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**APPENDIX I: A QUESTIONNAIRE TO THE MANAGEMENT AND CLIENTS OF  
DEMAFREIGHT LOGISTICS LIMITED**

Dear Sir/Madam,

I am a student from the college of economics and management science at Kampala International University. I humbly ask you to participate in this research on supply chain risk management and organizational performance that will be carried out in your reputable clearing and forwarding company. This study is purely for academic purpose, thus it will not be disclosed in any other way for any other cause. It is a partial requirement for the award of bachelor's degree in supplies and procurement at the already mentioned institution.

You are cordially requested to spare some time and fill this simple questionnaire. The information obtained through this questionnaire shall be used for the mentioned purpose and shall be taken with utmost confidentiality. For this reason, I don't seek to know the name or identity of any respondent.

Yours faithfully

.....

**AKELLO RACHAEL OJUKA (RESEARCHER)**

## SECTION A: BACKGROUND CHARACTERISTICS OF RESPONDENTS

**Instructions:** Please tick where appropriate on the provided space

### 1. Sex

i) Male ☐                      ii) Female ☐                      iii) others, specify.....

### 2. Age group

i) 18 and below ☐   ii) 19-30 ☐   iii) 31-40 ☐   iv) 41-50 ☐ ☐  
v) 50 and above ☐

### 3. Marital status

i) Single ☐                      ii) married ☐                      iii) others, specify.....

### 4. Education background

i) Secondary ☐   ii) Certificate ☐   iii) Diploma ☐   iv) Degree ☐  
v) Others ☐

### 5. Occupation

Duration (in years) of work at the company

i) Less than 2 years ☐   ii) 2-5 years ☐   iii) 5-8 years ☐   iv) over 8 years ☐

SECTION B: OBJECTIVEQUESTIONNAIRE

1. Does SCM have any impact on the performance of your organization?

Yes ☐ No ☐ Not sure ☐

If yes, how?.....  
.....  
.....

2. Do you think SCM has any relationship with organizational performance?

Yes ☐ No ☐ Not sure ☐

If yes, how?.....  
.....  
.....

3. What are some of thechallenges your organization encounters during the application of SCM practices for better performance?

.....  
.....  
.....  
.....

### SECTION C: SCM AND STRATEGIC SUPPLIER PARTNERSHIP

Sub-construct	Measurement scale				
Strategic Supplier partnership	SA	A	N	D	SD
Long-term suppliers help in cost effective design choice					
Strategically aligned suppliers can work together and eliminate wasteful effort and time					
A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts					
Your long-term suppliers help in selecting the best components and technologies, and help in design assessment					
Your relationship with the contractors influences operational and strategic capabilities in order to help your organization achieve significant benefits					
Long-term relationship with your contractors means that you share risks and benefits					

### SECTION D: SCM AND CUSTOMER RELATION

Sub-construct	Measurement scale				
Customer relationship	SA	A	N	D	SD
Customer relationship practices help to build long-term relationship with your contractors					
Customer relationship practices help in managing customer complaints in your organization					
Customer relationship practices help your organization to improve customer satisfaction					
Customer relationship is a tool to achieving a competitive edge in your organization					

Customer loyalty in your organization is achieved due to customer relationship employed in your organization					
Customer relationship allows your organization to differentiate itself from competitors					

#### SECTION E: SCM AND INFORMATION SHARING

Sub-construct	Measurement scale				
Information sharing	SA	A	N	E	SD
The information shared in your organization is strategic and tactic, about logistic activities, about costumers and market, product availability, inventory levels, expeditions and production requirement status					
Sharing information with other partners within the SC can be used as a competitive advantage tool					
Information sharing helps you and your contractors work as a single entity					
The information shared within your organization is accuracy and timely					
The information shared within your organization is adequate and can be relied upon					
Information sharing can help understand the needs of the end customer better and hence can help the organization respond to market change quicker					

### **APEPENDIX III: BUDGET ESTIMATES**

<b>NUMBER</b>	<b>ACTIVITY</b>	<b>COST (USHS)</b>
1	Stationery	45,000
2	Typing and printing	100,000
3	Photocopying	25,000
4	Internet and airtime	60,000
5	Transport	30,000
6	Meals	35,000
7	Binding	50,000
8	Miscellaneous	50,000
<b>TOTAL</b>		<b>395,000</b>

**THANK YOU FOR YOUR CO-OPERATION**