



**THE IMPACT OF SUPPLY CHAIN MANAGEMENT PRACTICE ON
ORGANIZATIONAL PERFORMANCE:
THE CASE OF UNILEVER ETHIOPIA**

By

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DECLARATION

I, Tamiru Misganaw, declare that this paper is a result of my independent research work on the topic entitled “The impact of supply chain management practice on organizational performance: The case Unilever Ethiopia” for the partial fulfillment of the requirements for the Degree of Masters of Art in Logistics and Supply Chain Management at Addis Ababa University, School of commerce. This work has not been submitted for a degree to any other university. All the references are also duly acknowledged.

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CERTIFICATION

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ABSTRACT

Businesses today operate in a market-driven, customer-oriented era and to survive in such a competitive environment, they have to be flexible, adaptable and above all provide superior service. Supply chain management, customer driven corporate policy, and other elements of supply chain management are frequently cited as strategic options to achieve competitive success. This study presents details of a survey carried to determine whether particular supply chain practices and customer relations practices can impact corporate performance. The objective of the study was to establish the effect of supply chain management practices on organizational performance of Unilever Ethiopia. A total number of responses from 37 employees were used for analysis in this research study. Questionnaires with closed ended and five point Likert scale items were used as instrument to collect data for the research. The data collected were analyzed using SPSS 20.0 Version. Descriptive statistics was used to explain the demographic characteristics of respondents and to discuss the descriptive report of responses provided by the respondents on supply chain practices and organizational performance by measuring mean and standard deviation. Research questions were tested using statistical analysis of Pearson's Correlation and multiple linear regressions. The study found that strategic supplier partnership, adoption of information technology, information sharing, knowledge management, reverse logistics and green supply chain all have positive and significant relationship with organizational supply chain performance. Moreover, as per the multiple regression result, strategic supplier partnership is found to be more critical. The study recommends that the management of Unilever Ethiopia consider implementing fully various supply chain practices due to its positive effects and also for the government to provide incentives on adoption of certain supply chain practices such as green supply chain due to its effect on the environmental sustainability.

Key words: *Supply chain practices, strategic supplier partnership, adoption of information technology, information sharing, knowledge management, reverse logistics, green supply chain*

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ABBREVIATIONS AND ACCRONYMS

GSC: Green Supply Chain

POS: Point of sales

RSC: Reverse Supply Chain

SCM: Supply Chain Management

SSP: Strategic Supply Chain Partnership

VMI: Vendor Managed Inventory

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CHAPTER ONE

INTRODUCTION

The purpose of this research paper is to study the Impact of Supply Chain Management Practice on Organizational Performance: The case of Unilever Ethiopia. This chapter includes background of the study; statement of the problem; research questions; objectives of the study; scope and limitation of the study, significance of the study and organization of the study

1.1. Background of the study

1.1.1 Supply Chain Management Practices

Organizations adopt numerous business improvement methodologies to improve their performance. As competition intensifies, so do the challenges associated with getting a product or service to the right place at the right time at the lowest delivered total cost. Manufacturing organizations have begun to realize the potential benefits and importance of strategic and cooperative buyer-supplier relationships. They have started to involve strategic suppliers in resource management decisions (Morgan and Monczka, 2006). Instead of relying on tools such as acceptance sampling to establish the quality of incoming materials and component parts, manufacturers purchase from a more limited number of qualified or certified suppliers and embrace the concept of supply base management, hoping to reduce costs by cutting inventory and improving efficiency throughout the supply chain (Watts and Hahn, 2003). In addition, organizations have come to place more emphasis on customer driven corporate policies that seek to simultaneously pursue objectives of customer satisfaction, quality and productivity improvement, and cost reduction.

SCM practices have received numerous other definitions; Koh et al., (2007) defined SCM practice as the set of activities undertaken by an organization to promote effective management of its supply chain; as the approaches applied in integration, managing and coordination of supply, demand and relationships in order to satisfy clients in an effective way (Wong et al., 2005); as tangible activities/technologies that have a relevant role in the collaboration of a focal firm with its suppliers and/or clients (Vaart and Donk, 2008); and as the approach to involve suppliers in decision making, encouraging information sharing and looking for new ways to integrate upstream activities. As a consequence, it involves developing customer contacts by customer feedback to integrate the downstream activities and delivering orders directly to customers (Chow et al., 2008). The concepts and practices of SCM have been touted as improving the performance of organizations who participate in them.

The supply chain management in general aims at improving value delivery to customers; relying on just-in-time system; eliminating waste; getting the involvement of all stakeholders in the value creation process as well as working closely with suppliers. According to Ireland and Webb (2007), SCM continues to be adopted by organizations as the medium for creating and sustaining a competitive advantage and points out that such a displacement is understandable considering the potential benefits of successful supply chain management. These benefits attributed to supply chain management include inventory reduction, improved delivery service, and shorter product development cycles. On their part, Slack et al., (1995) observed that the objectives of supply chain management include focusing in satisfying end customers, to formulate and implement strategies based on

capturing and retaining end-customer business and also to manage the whole chain effectively and efficiently. SCM is one of the most effective ways for firms to improve their performance (Ou et al., 2010). With the purpose of managing the supply chain actions for realizing improvement in enterprise performance, it is necessary to improve the planning and management of activities such as materials planning, inventory management, capacity planning, and logistics (Chandra and Kumar, 2000) with suppliers and clients.

The simultaneous integration of customer requirements, internal processes, and upstream supplier performance is commonly referred to as supply chain management (SCM). Supply chain management (SCM) is an integrated approach beginning with planning and control of materials, logistics, services, and information stream from suppliers to manufacturers or service providers to the end client; it represents a most important change in business management practices (Fantazy et al., 2010). SCM is one of the most effective ways for firms to improve their performance (Ou et al., 2010). With the purpose of managing the supply chain actions for realizing improvement in enterprise performance, it is necessary to improve the planning and management of activities such as materials planning, inventory management, capacity planning, and logistics with suppliers and clients.

Supply chain practices cannot on their own improve efficiencies individually, since the efficiency can be achieved through the interaction of various supply chain practices. Dawe (2004) point that, for effective SCM, a comprehensive effort for improvement in all of supply chain functions within a firm should be made, and, first of all, the focus of supply chain practices should shift from functional and independent to general and integrative. This implies that the performance of each supply chain practice should be evalu-

ated depending on how the practice has a significant effect on the efficient integration of entire supply chain processes, and thus, the successful achievement of SC integration can be possible by the systematic utilization of various supply chain practices. Bowersox (2009) also have the same perspective with the above argument.

1.1.2 Organizational Performance

Organizational performance is the final achievement of an organization and contains; existence of certain targets to be achieved, has a period of time in achieving the targets and the realization of efficiency and effectiveness (Gibson et al., 2010). On the other hand, organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz and Donnell, 2003). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

All types of organizations, whether small or big, public or private, for-profit or nonprofit, struggle for survival. In order to survive, they need to be successful (effective and efficient). To be assured of their success, organizations must perform well. Ultimately, performance lies at the heart of any managerial process and organizational construct and is therefore considered as a critical concept in the strategic management field.

Organizational performance includes multiple activities that help in establishing the goals of the organization, and monitor the progress towards the target (Johnson et al., 2006). It is used to make adjustments to accomplish goals more efficiently and effectively. Organizational performance is what business executives and owners are usually frustrated about. This is so, because even though the employees of the company are hardworking and are busy doing their tasks, their companies are unable to achieve the planned results. Results are achieved more due to unexpected events and good fortune rather than the efforts made by the employees. However, for any business to be successful, functions must be defined and accomplished. It is important for an organization to develop strategies that are designed around the skills that would enhance the performance of the organization.

1.1.3 Background of Unilever Ethiopia

Unilever is one of the leading suppliers of food, home and personal care products in Ethiopia. Unilever Manufacturing PLC was established in 2015 in Ethiopia and is already supporting a growing network of Ethiopian suppliers, distributors and traders. The company continues to add capacity in local manufacturing in Ethiopia, after on shoring Soaps, Detergent Powders and Bouillons. In a move aimed at spurring growth and investment in Ethiopia, Unilever has unveiled a world class oral care plant, a first of its kind in Ethiopia and third in Africa, at Unilever's factory in Eastern Industry Zone, Dukem. The new factory line will produce Signal, a leading oral care brand and comes as additional investment to the soap, detergent and Knorr manufacturing plants inaugurated by Unilever in 2016 and 2017 respectively.

Working to create a brighter future every day, Unilever helps people feel good, look good and get more out of life. Its portfolio includes most loved locally produced brands, Signal, Lifebuoy, OMO, Sunlight, Knorr, Geisha and Lux, as well as key world's renowned brands, like Dove, fair n lovely, Axe, among many others. Unilever's Sustainable Living Plan underpins the company's strategy and commits to: Helping more than a billion people take action to improve their health and well-being by 2020, halving the environmental impact of our products by 2030, enhancing the livelihoods of millions of people by 2020. The USLP creates value by driving growth and trust, eliminating costs and reducing risks. The company's sustainable living brands are growing 50% faster than the rest of the business and delivered more than 60% of the company's growth in 2016. Unilever was ranked number one in its sector in the 2017 Dow Jones Sustainability Index. In the FTSE 4 Good Index, it achieved the highest environmental score of 5. It led the list of Global Corporate Sustainability Leaders in the 2017 Globe Scan/Sustainability annual survey for the seventh year running. Unilever has pledged to become carbon positive in its operations by 2030.

The company is expanding its distribution to market in order to grow revenue and increase market share and customer satisfaction. Hence, the main purpose of this research is, then, to assess the level of supply chain management practices and its relationship with organizational performance of Unilever Ethiopia. Currently the factory is distributing its products in through the country using individual distributer.

The result from this study would benefit the company in making and realizing an effective and efficient SC system to offer improved service to final customer while keeping

lower cost and making higher profit by improving the traditional way that, partners involved across the supply chain acting independently in designing, developing and executing strategies.

1.2 Statement of the Problem

In the face of a competitive global market, organizations have downsized, focused on core competencies, and attempted to achieve competitive advantage by more effectively managing purchasing activities and relationships with suppliers. The supply chain management refers to how firms utilize their supply processes, technologies, and capabilities to enhance competitive advantage (Farley, 2007), and how the manufacturing, logistics, materials, distribution and transportation functions are coordinated within organizations (Lee and Billington, 2002). Many firms have reduced their supply base so they can more effectively manage relationships with strategic suppliers. Buying firms are developing cooperative, mutually beneficial relationships with suppliers and viewing suppliers as virtual extensions of their firm. Recent evidence indicates that leading edge companies are shifting their quality emphasis from inspection to designing quality into products, accompanying this with process control and process improvement efforts (Greene, 1993). These initiatives, particularly when implemented concurrently with managing the supply base, are cited as strategic practices to achieve competitive advantage. Other practices associated with quality improvement mirror those embodied in the evaluation criteria for awards such as the Baldrige and Deming awards (Black and Porter, 2006). These include strategic quality planning and senior management leadership. There have been a number of studies of SCM implementations among manufacturing firms (Sandberg, 2007) and

large retailer organizations (Sandberg and Abrahamsson, 2010) that have established the importance of SCM. In Kenya, Kyengo (2012) researched and found out that the overall performance of the organization (Nation Media Group Ltd) is greatly influenced by the capacity of the firm to deliver products to the widely dispersed customers on timely basis because even a one hour late delivery will affect the sales level and this can only be remedied by having effective supply chain structures. Mwingi (2011) and Andebe (2011) undertook research and found that sharing promotional information between retailers and manufacturers is useful especially in the international market. Locally, Tigist Adbaru (2017), undertake a research and the findings show that the case company adopted some part of supply chain management practices well while some part at a lesser extent. Besides, the hypothesis test result indicated that there is significant evidence to conclude there is association between supply chain management practices and competitive advantage. Solomon kindie (2017), researched and indicated that supply chain management practices i.e. strategic supplier partnership, customer relationship, information sharing, information quality and lean practices have significantly affected the operational performance of Ethio telecom.

These studies have not fully explored the impact of SCM practices on an organization's performance. None of them combined the supply chain practices: strategic supplier relationships, adoption of information technology, information sharing, knowledge management, reverse logistics and green supply chain and tested their impact on organizational performance. This research, therefore, established the impacts of the mentioned variables

on organizational performance with particular emphasis on Unilever Ethiopia supply chain management system.

1.3 Research Questions

This research tried to answer the following basic research questions:

- To what extent does strategic supplier relationship have an impact on organizational performance of Unilever Ethiopia?
- To what extent does adoption of information technology have an impact on organizational performance of Unilever Ethiopia?
- To what extent does information sharing have an impact on organizational performance of Unilever Ethiopia?
- To what extent does the knowledge management have an impact on organizational performance of Unilever Ethiopia?
- To what extent does the reverse logistics practice have an impact on organizational performance of Unilever Ethiopia?
- To what extent green supply chain practice have an impact on organizational performance of Unilever Ethiopia?

1.4 Objective of the study

1.4.1 General objectives

The general objective of this study was to study the impact of supply chain practices on organizational performance, the case of Unilever Ethiopia.

1.4.2 Specific objective:

The specific objectives of the study are outlined below:

- To assess the extent of the impact of strategic supplier relationship management practice on organizational performance of Unilever Ethiopia.
- To determine the extent of the impact of adoption of information technology on organizational performance of Unilever Ethiopia.
- To measure the extent of the impact of information sharing on organizational performance of Unilever Ethiopia.
- To determine the extent of the impact of knowledge management on organizational performance of Unilever Ethiopia.
- To assess the extent of the impact of the reverse logistics practice on organizational performance of Unilever Ethiopia.
- To measure the extent of the impact of green supply chain practice on organizational performance of Unilever Ethiopia.

1.5 Significance of the Study

The study will be of value to the management of Unilever Ethiopia as they will be able to know the importance and impact of having an effective supply chain and what role it would have on their performance. The findings of this study will form part of the action plans that would help the Unilever Ethiopia to gain competitive advantage over their competitors locally and also in the region. The study will also create a monograph which could be replicated in other sectors which are facing high competition from the international players. Most importantly, this research is further aimed at offering some practical

suggestions on a firm's supply chain management impact on the performance of the firm. The policy makers will obtain knowledge of the agricultural sector dynamics and the supply chain practices; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector. Future and present scholars may use the results of this study as a source of reference. The findings of this study can be compared with supply chain management in other sectors to draw conclusions on various ways an organization can respond to competitive forces in the environment. It will also benefit consultants who endeavor to provide assistance to successful running of organizations in developing and sustaining a competitive edge in their industry.

Primarily, this is a study undertaken in an environment where the practice of supply chain management has yet to mature. Hence, this research will contribute for the development of the discipline in this environment. More specifically, research endeavors are limited within FMCG manufacturing companies. This study, which will be undertaken in the area of the impact of supply chain management practice on organizational performance, the case of Unilever Ethiopia, will contribute to the development and effective implementation of supply chain management practices by manufacturing companies also underline the importance of sufficient and relevant information for planning and making successful decisions about a marketing strategy. Additionally, this research will serve as a point of departure for further research by academicians because the concept of this research is new for the country.

This study, thus, aims to help researchers, and specifically, manufacturing firms to better understand the scope and activities associated with their SCM Practices that have a prominent role on the performance of the entire firm. The study, therefore, provides a useful guidance for FMCG manufacturing firms as well as a validated instrument for them to measure and implement SCM Practices. It is only by embracing supply chain management practices that Fast moving consumer goods manufacturing companies will be recognized by their customers and industry as highly effective professionals who contribute towards the most cost effective business solutions. The findings of the proposed study will have both theoretical and practical implications for the future of supply chain management in Ethiopia. Theoretically, the study is expected to contribute to the advancement of knowledge about the importance of supply chain management practices to organizational competitive advantage and performance. The study will be of help in the manufacturing industry in general and open doors to improvement of productivity and performance through the aid of good supply chain management practices. The study will also be able to form a base on which others can develop theirs.

1.6 Scope of the Study

A SCM practice is defined as a set of activities undertaken in an organization to promote effective management of its supply chain and it comprises vast areas that include flow from suppliers to end users for the physical processes. However, it is difficult and unmanageable to conduct the study in all areas that summarizes SCM in terms of time, finance, and research manageability. Therefore, the scope of this study is delimited to the effects of SCM practices on the organizational performance of Unilever Ethiopia.

This study focused on supply chain practice dimensions such as strategic supplier partnership, IT adoption, information sharing, knowledge management and Reverse logistics and their relationship with the organization performance of reduced cost. Furthermore, among the factories of Unilever Ethiopia, the focus of this study specifically relies only on Eastern Industry Zone Factory. The purpose of this study is to assess the underlying dimensions of SCM practices and to empirically test a framework identifying the relationships among SCM practices, and organizational performance in Unilever Ethiopia.

1.7 Limitation of the Study

Since the supply chain management of the company is peculiar to itself, it is difficult to generalize the findings of the study to other firms in FMCG manufacturing companies in Ethiopia. Besides the study assessed the impact of supply chain management practices from the standpoint of the case company, it will not involve the other members of the supply chains (customers and suppliers) reaction or responses towards the companies. The research is limited on Unilever. Finally, the competitive advantage and organizational performance measures in the study are only a proportion of the potentially relevant variables that might have been included these measures only serve as examples and special attention is rather paid for structuring the vast major of measures.

The research sample did not incorporate all the SC participants namely: the supplier's suppliers in the upstream and which may not represent the true picture of the population. Respondents may not give due consideration in answering the questions and inclined to give overly positive or negative responses to the study questions. On that date, respond-

ents might have encountered an instance that causes them to respond overstatedly positive or negative to the questions asked on the questionnaires. Lack of awareness among the respondents about the field of the study and respondent's lack of interest to respond or incomplete response was also be encounter.

1.8 Definition of terms

- **Supply chain:** - referred to as a set of companies involved in the upstream and downstream flows of products, services, finances, and information from a source to a customer (Mentzer et al., 2001).
- **Supply Chain Management:-** is the integration of key business processes from end user through original suppliers that provides products, services and information that add value for customers and other stakeholders” (Lambert et al., 1998, p. 1).
- **Integration:** is the process of combining or coordinating separate function processes, or producers and enabling them to interact in a seamless manner (Sunil, 2004).
- **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.
- **Information sharing:** - The extent to which critical and **proprietary** information is communicated to one's supply chain partner.

1.9 Organization of the Study

This study was organized into five chapters, Chapter one contains background of the study, statement of the problem, basic research questions, objective of the study, definition of terms, significance of the study and limitation of the study. The second chapter deals with the literatures relevant to the study and conceptual framework adapted from previous studies. Under the third chapter, the type and design of the research, the subjects/participants of the study, the sources of data, the data collection tools, the procedures of data collection, and the methods of data analysis used are described. Chapter four summarizes the results/findings of the study and interprets and/or discusses the findings. Finally, chapter five comprises four sections, which includes summary of findings, conclusions, recommendations and suggestions for future study.

CHAPTER TWO

LITERATURE REVIEW

The chapter provides information from publications on topics related to the research problem. It examines what various scholars and authors have documented about the concept of supply chain management practices. The chapter covers concept of supply chain management practices, organizational performance and effect of supply chain management practices on organizational performance.

2.1 Supply Chain Management (SCM)

Concept of supply chain management was introduced in the 1980`s and it was developed from traditional logistics management. Earlier companies were considered as single entities with little connection with other companies that were considered as competitors. Therefore the company focuses their decision making on internal processes and flows. This processes and flows were optimized without taking the other parts of the company into consideration. As a result of this, the cost of optimization was either pushed upstream or downstream therefore not affecting the total cost of production. Many studies in SCM have been conducted to identify the SCM concept; as a result, many definitions have appeared along with the development in the cognition of this term. For instance, SCM is illustrated as the systemic and strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across businesses within the supply chain (Dewitt *et al.*, 2001; as cited in Afande, Rate-mo, and Nyaribo, 2015); SCM is also defined as the coordination of production, inventory, location, and transportation among the participants in a supply chain to achieve the

best mix of responsiveness and efficiency for the market being served (Wiley, 2009; as cited in Afande *et al.*, 2015); Cooper, Lambert, and Pagh (1997), Lambert and Cooper (2000), and Somuyiwa, Mcilt, and Adebayo, (2012) defined SCM as the management of material, money, men and information within and across the supply chain to maximize the customer satisfaction and to enhance the competitive advantage. Although there is no general accepted concept of SCM among researches, all the definitions have one common objective, namely, bringing the benefit for all the members (supplier, intermediaries, third party service providers, and customers) of the supply chain. The evolutionary nature and complexity of SCM are also reflected in the SCM research (Li, Rao, T. S. Ragu-Nathan, & B. Ragu-Nathan, 2005).

The simultaneous integration of customer requirements, internal processes, and upstream supplier performance is commonly referred to as supply chain management (SCM). While SCM has become popular, there are in practice few examples of truly integrated supply chains (Handfield and Nichols, 2008). Although the literature is replete with reports of firms that developed strategic supplier-buyer partnerships, outsourced non-core competencies, and adopted strategic customer relations practices, few companies have succeeded simultaneously on all these fronts. Scott and Westbrook (1991) describe supply chain management as the chain linking each element of the manufacturing and supply process from raw materials through to the end user, encompassing several organizational boundaries. Thus, SCM encompasses the entire value chain and addresses materials and supply management from the extraction of raw materials to the end of its useful life. It aims at improving value delivery to customers; relying on just-in-time system; eliminat-

ing waste; getting the involvement of all stakeholders in the value creation process as well as working closely with suppliers. According to Ireland and Webb (2007), SCM continues to be adopted by organizations as the medium for creating and sustaining a competitive advantage and points out that such a displacement is understandable considering the potential benefits of successful supply chain management. These benefits attributed to SCM include inventory reduction, improved delivery service, and shorter product development cycles. On their part, Slack *et al.*, (1995) observed that the objectives of SCM include focusing in satisfying end customers, to formulate and implement strategies based on capturing and retaining end customer business and also to manage the whole chain effectively and efficiently. The success of a SCM system is dependent on adopters developing specific capabilities (Chandra and Kumar, 2000). These, they observe, include the ability to develop a flexible organization, develop a trusting relationship with its suppliers, seek total supply chain coordination, enhance communication to reduce uncertainty and inventory levels, outsource non-core competencies, implement build-to-order manufacturing, reduce inventory and minimize costs. Attaining these capabilities requires employees who are flexible in their roles, have a broad set of skills, are adaptable to reorganization, able to work in boundary-spanning responsibilities and are innovative. Companies said to be effective in their SCM practice put a lot of emphasis on developing their human resources through training and retraining of their employees (Gowen and Tallon, 2002).

2.2 Supply Chain Management Practices

SCM practices are defined as the set of activities undertaken by an organization to promote effective management of its supply chain (Koh et al., 2007); such as the approaches applied in integration, managing and coordination of supply, demand and relationships in order to satisfy clients in an effective way (Wong *et al.*, 2005); as tangible activities/technologies that have a relevant role in the collaboration of a focal firm with its suppliers and/or clients (Vaart and Donk, 2008); and as the approach to involve suppliers in decision making, encouraging information sharing and looking for new ways to integrate upstream activities. As a consequence, it involves developing customer contacts by customer feedback to integrate the downstream activities and delivering orders directly to customers (Chow *et al.*, 2008).

The practices of SCM are proposed to be a multi-dimensional concept. Many different aspects of SCMPs have been discussed in various studies in the past. Li, B. Ragu-Nathan, T. S. Ragu-Nathan, and Rao (2006) reviewed SCM practice literature and consolidated five distinctive elements of SCMPs including strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing and postponement. According to Afande *et al.* (2015), these 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). Tan (2001) suggested five constructs of SCMPs including supply chain integration, information sharing, supply chain characteristics, customer service management, and geographical proximity and JIT

capability. It seems that they emphasize more on customer relationship. Other researchers also concentrate on the relationship among suppliers and customers such as Burgess and Singh (2006), Lenny Koh, Demirbag, Bayraktar, Tatoglu, and Zaim (2007), Ellram, Tate, and Billington (2007), and Khang, Arumugam, Chong, and Chan (2010).

Donlon describes the latest evolution of SCM practices, which include supplier partnership, outsourcing, cycle time compression, continuous process flow, and information technology sharing. Tan *et al.* use purchasing, quality, and customer relations to represent SCM practices, in their empirical study. Alvarado and Kotzab include in their list of SCM practices concentration on core competencies, use of inter-organizational systems such as EDI, and elimination of excess inventory levels by postponing customization toward the end of the Supply chain. Tan *et al.* identify 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 use supplier base reduction, long-term relationship, communication, cross-functional teams and supplier involvement to measure buyer–supplier relationships. Min and Mentzer identify 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. In reviewing and consolidating the literature, five distinctive dimensions, including strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing, and Lean practices, are selected for measuring

SCM practice. 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 (Lean practices). 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 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.

2.2.1 Strategic Supplier Partnership

The choice of suppliers and how businesses are effectively integrated to obtaining proper complementary skills are important issues. Strategic sourcing consists of strategic outsourcing and supplier capability analysis. In addition, the construct strategic supplier partnership is an integral element to the second order construct of SCM (Li *et al.*, 2006). The defining elements of strategic sourcing have been identified to be the status of supply management within the organizational hierarchy, internal coordination of supply management with other functions in a firm, active information sharing with suppliers, and comprehensive supplier development activities (Kocabasoglu and Suresh, 2006). In the retail category management context, strategic sourcing has also been found to influence

knowledge creation and sharing among suppliers and Hart, 2004). Since suppliers and retailers have knowledge in different domains, the combination can create unique knowledge that can be applied to improve business knowledge. Better relationships between retailers and their suppliers also improve prospects of new product acceptance (Kaufman, 2002). Retailers take risks in placing untried products on the shelves. The risks take several forms. The retailer's reputation is at stake if the product does not perform well, and consumers may hold the retailer responsible for selling substandard products.

Hypothesis 1:1 *Strategic supplier partnership significantly and positively affects organizational supply chain performance*

Hypothesis0:1 *Strategic supplier partnership has no effect/impact on organizational supply chain performance.*

2.2.2 Adoption of Information Technology

The advent of the internet and electronic communication has enabled companies to be more responsive to their customers than ever before. Sanchez and Peres (2003) assert that rich experience of firms with electronic resource planning (ERP) tend to deliver higher benefits while the electronic data interchange (EDI) adopter perceive more operational benefits, more external pressures and mutual understanding, and fewer technical and organizational difficulties than non-adopters of EDI. Information sharing practices such as vendor-managed inventory (VMI) give manufacturers more accurate information than before e.g. customer sales data. Smaros *et al.*, (2004) used discrete – event simulation to examine how a manufacturer can combine traditional order data available from VMI customers in its production and inventory control and what impact this has on the manufacturer's operational control. They found that even for products with stable demand, a par-

tial improvement of demand visibility can improve production and inventory control efficiency. The value of product visibility greatly depends on the target products' replenishment schedule and the planning cycle employed by the manufacturer.

Hypothesis 1:2 *Adoption of information technology significantly and positively affects organizational supply chain performance*

Hypothesis 0:2 *Adoption of information technology has no effect on organizational supply chain performance*

2.2.3 Information Sharing

Information sharing refers to the extent to which non-public information is communicated along the supply chain. A number of studies have examined the value of information sharing along the supply chain. For the most part, these researchers have attempted to quantify the benefits of sharing information by using simulation approaches. Sharing promotional information between retailers and manufacturers can be particularly useful. Promotional activity can create disruptions in the supply chain. A retail-level promotion may artificially increase demand for a temporary period. Without shared information on the promotion, the manufacturer may be unprepared. The retailer may not have sufficient stock to support the demand induced by the promotion. An interesting aspect of this stream of research is the finding that the value of information sharing is particularly high when demand is auto correlated (Hamister and Suresh, 2008). Auto correlated demand has been linked to the early season signal for a seasonal product, and it has practical relevance (Fisher and Raman, 1996). Sharing information upstream early in a selling season better positions the manufacturer to support the retailer while avoiding costly stocking errors. In practice, point-of-sale (POS) technologies and sharing through technologies

such as VMI are incomplete, and must be supplemented with analysis of actual order patterns (Smaros *et al.*, 2003). The scope of information shared is related to the nature of the business relationship.

Hypothesis 1:3 *Information sharing significantly and positively affects organizational supply chain performance*

Hypothesis 0:3 *Information sharing has no effect on organizational supply chain performance*

2.2.4 Knowledge Management

Global competition and accelerating technological changes especially in information and communication and internet technologies makes competition knowledge-based thereby affecting SCM across firms (Lang, 2001). A stronger emphasis on knowledge management as part of organizational strategy may help supply managers to manage uncertainty better. It is observed that establishment of internal knowledge management systems for organizations create a greater base for tacit learning to be leveraged. On the other hand, external knowledge management brings value chain members closer together and adds value to the product through increased quality and customer perception of brand platforms. Koh and Tan, (2006) assert that it is only knowledge management that is inadequate in many ways for managing a supply network in uncertain environment hence a new approach is needed. They linked the impact of organizational structure in knowledge transfer and utilization among the different participating functions in the perspective of systems theory. Information sharing practices such as vendor-managed inventory give manufacturers access to more accurate demand information such as customer sales data than before.

Hypothesis 1:4: Knowledge management significantly and positively affects organizational supply chain performance

Hypothesis 0:4: Knowledge management has no effect on organizational supply chain performance

2.2.5 Reverse Logistics

Reverse logistics is defined as the effective and efficient management of the series of activities required to retrieve a product from a customer in order to either dispose of it or recover value (Defee *et al.*, 2009). On their part Rogers and Tibben-Lembke (1999) defined reverse supply chain as “the process of 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 or creating value or for proper disposal”. Firm control has been recognized as a crucial component of SCM. Sanderlands (1994) noted that the first step (in SCM) is to introduce structure and discipline to the supply process, tightening up procedures, and taking control of all activities in the supply chain. An important way to introduce structure is to formalize logistics operations. The rapid growth in the volume of returns often outpaces the abilities of firms to successfully manage the flow of unwanted product coming back from the market. The complex procedures and steps required for any RSC to be operational make most companies to shy away from undertaking the same process. Molenkopf *et al.* (2007) outlined several processes involved in the RSC process that discouraged most organizations from pursuing. These processes as they enumerated include: initiate returns; determine routing; receive returns; select disposition; credit the customer; and analyzing the performance.

***Hypothesis 1:5:** Reverse Logistics significantly and positively affects organizational supply chain performance*

***Hypothesis 0:5:** Reverse Logistics has no effect on organizational supply chain performance*

2.2.6 Green Supply Chain

The Green Supply Chain Management (GSCM) concept (and its many elements) has had many variations over the years and has included sustainable supply network management; supply and demand sustainability or corporate social responsibility networks; supply chain environmental management; green purchasing and procurement, environmental purchasing, green logistics and environmental logistics (Linton et al., 2007). Using a similar premise, Vachon and Klassen (2006) put forward the concept of green supply chain practices which comprise two sets of related yet independent environmental activities, namely: environmental collaboration and environmental monitoring. On the basis of the same construct as stated by Vachon and Klassen (2006), an organization's green supply chain practices imply internalizing by integrating its environmental management activities with other organizations in the supply chain or externalizing environmental management in the supply chain by employing market-based mechanisms. The former is termed environmental collaboration while the latter is environmental monitoring. The green supply chain practices require that manufacturers work in concert with suppliers and customers to enhance environmental sustainability. The implementation of GSCM practices is expected to result in improved environmental performance as measured by reductions in air emissions, effluent waste, solid waste, and the consumption of toxic materials. However, there is concern as to whether such environmental sustainability efforts will ultimately translate into improved market share and profitability. Ultimately, manufacturing

managers are responsible for the performance of the organizations for which they work (Green *et al.*, 2000)

Hypothesis 1:6: Green supply chain significantly and positively affect organizational supply chain performance

Hypothesis 0:6: Green supply chain has no effect on organizational supply chain performance

2.3 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. 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.

Organizational performance is described as the extent to which the organization is able to According to Swanson (2000), organizational performance is the valued productive output of a system in the form of goods or services. Organizational performance can be met the needs of its stakeholders and its own needs for survival (Griffin, 2003), subdivided

into three categories: financial performance (profit), internal non-financial performance (productivity) and external non-financial performance (customer satisfaction). Private sector organizations strive for good financial results whereas public organizations are aimed at non-financial results like delivering good public services to citizens. To achieve organizational performance through employees, the organization must consider them as assets and they must be treated with great attention so that the employees become productive. There are a number of indicators by which organizational performance may be judged; the balanced scorecard offers both qualitative and quantitative measures that acknowledge the expectations of different stakeholders and related assessment of performance in choice of strategy. In this way, performance is linked both to short term outputs and process management (Johnson et al., 2006). Due to the realization that people are the most valuable assets in an organization, the importance of performance management has been pushed to the fore (Bartlett and Ghoshal, 2005). The performance measurement system employed in an organization must therefore measure the performance of all assets including the human ones. The balanced scorecard of Kaplan and Norton (1996) is a mechanism which provides a holistic measure of organizational performance. It is a set of measures that provide managers a fast but comprehensive view of the business. The Balanced Scorecard is not only a measurement system but also a management system, which enables organizations to clarify their vision and strategy and translate them into action.

Traditional methods of measuring a company's performance by financial indices alone have virtually disappeared from large organizations (Basu, 2001). Non-financial measures are at the heart of describing strategy and of developing a unique set of perfor-

mance measures that clearly communicate strategy and help in its execution (Kaplan & Norton, 1992, 1996). Frigo (2002) reported the existence of a gap between strategy and performance measures, which failed to support the communication of strategy within an organization. Hudson et al. (2001) concluded that although there was a widespread acceptance of the value of strategic performance measurement amongst firms that they studied, none had taken steps to redesign or update their current performance measurement systems. Profitability measures the extent to which a business generates a profit from the factors of production: labor, management and capital.

Profitability is the most important measure of success of the business. A business that is not profitable cannot survive, yet a highly profitable one has the ability to reward its owners with a large return on their investment. Profitability analysis focuses on the relationship between revenues and expenses and on the level of profits relative to the size of investment in the business (Mesquita & Lara, (2003). Four useful measures of firm profitability are the rate of return on firm assets (ROA), the rate of return on firm equity (ROE), operating profit margin and net firm income. The ROA measures the return to all firm assets and is often used as an overall index of profitability, and the higher the value, the more profitable the firm business. The ROE measures the rate of return on the owner's equity employed in the firm business. It is useful to consider the ROE in relation to ROA to determine if the firm is making a profitable return on their borrowed money (Hadlock & James, 2002).

2.5 Supply Chain Practices and Organizational Performances

A number of studies have been conducted to determine whether SCMPs have a positive impact on firm performance (Zailani, Jeyaraman, Vengadasan, & Premkumar, 2012). Söderberg and Bengtsson (2010) concluded that if firms use maturity indicators in Supply Chain Operations reference areas to improve their processes, they will most likely achieve positive effects on supply chain performance and probably also in financial performance. Lii and Kuo (2016), by focusing on the Taiwan's manufacturing firms, concluded that supply chain integration (in particular, supplier integration and internal integration) has a mediation effect on innovation orientation and business performance. Kim's (2009) researches in the Korean and Japanese firms also indicate that efficient supply chain integration may play a more critical role for sustainable SCM competitiveness in case of Korean firms, while in Japanese firms, the close interrelationship between the level of SCM practices and competition capability may have a more significant impact on SCM competitiveness. Supply Chain Practices and Competitive Advantage Li *et al.* (2006) defined competitive advantage as the extent to which an organization is able to create a defensible position over its competitors, comprising capabilities that allow an organization to differentiate itself from its competitors and is an outcome of critical management decisions. They suggested five constructs of competitive advantage which are price/cost, product quality, delivery dependability, production innovation, and time to market. Followed by the increasing competitiveness among supply chains in the global market, organizations tend to find out the way in order to sustain their competitive advantages compared to others. According to Elgazzar, Tipi, Hubbard, and Leach (2012), linking supply chain processes' performance to the company's financial strategic objective enables companies to gain competitive advantages and formulate strategies for im-

proved SCM through linking such strategies to the focus area of enhancing the financial performance. Strategic Supplier Partnership (SSP) and Firm Performance

SSP is defined as the long-term relationship between an organization and its suppliers (Li *et al.*, 2006). “Partnership” as “an on-going collaborative relationship between two legally separate organizations, based upon a commitment to the equal sharing of the costs, risks and rewards derived from working together” (Chicksand, 2015). Sharing benefit is the core factor of partnership. Strategic partnerships with suppliers increase the efficiency or productivity since they are willing to share the success of the products (Li *et al.*, 2005). The very common and classic example of sustainable partnership is the family business Procter and Gamble/Wal-Mart relationship – a sustained, successful retail-vendor relationship (Smith, Hair, & Ferguson, 2014). Market-oriented goals may be measured by company’s market share and/or customer satisfaction. Financial performance is measured by profitability, return on investment, and return on sales (Chang, Ellinger, Kim, & Franke, 2016).

Delaney *et al.*, (2006) point that organizational performance can be evaluated by quality service and products, satisfying customers, market performance, service innovations, and employee relationships. On the other hand, Hoque *et al.*, (2000) in their study of organizational performance based on balanced scorecard, stated that organizational performance can be appraised by return of investment, margin on sales, capacity utilization, customer satisfaction and product quality. In the same way, Greene *et al.*, (2007) identified that return on investment, sales and market growth, and profit are important factors that can be measured by organizational performance. In all these performance measures, SCM prac-

tices have a positive relationship or generally affects the level of organizational performance. A strong customer leads to improved marketing and financial performance (Green *et al.*, 2005). As customers begin to demand that the products and services that they purchase be eco-friendly, it is important that manufacturers generate intelligence related to these changing customer demands. A manufactured product that remains unsold in inventory, because it does not satisfy customer demand is blatantly environmentally unfriendly as well as its performance (Turner, 1993). A key element of successful supply base management involves downstream integration of customers as well as the management of upstream suppliers. Each entity in the supply chain is a supplier as well as a customer. When a customer driven corporate vision is implemented simultaneously with effective TQM and supply base management practices, it can produce a competitive edge in a number of different ways. These include increases in productivity, reductions in inventory and cycle time, increased customer satisfaction, market share and profits. Chong and Ooi, (2008) assert that a good organized and executed SCM will make it possible for companies to decrease their inventories, have better customer service, diminish costs as well as aid fast inventory turns. One of the biggest advantages of SCM in the situation of short term objectives is increasing productivity and decreasing inventory and reducing lead time. Based on long term objectives, this factor has significant role in increasing company's market share and having outside integration of the SCM. (Li *et al.*, 2006), Carr and Smeltzer (1999) have documented how firms with strategic purchasing are able to foster long-term, cooperative relationships and communication, and achieve greater responsiveness to the needs of their suppliers. Although other factors, such as restructuring and governance, and transaction cost economizing are also important for understanding strategic

purchasing and its linkage to supply management, they are beyond the scope of this investigation. Strategic purchasing fosters communication, which is critical to achieving effective integration throughout the supply chain. Effective communication contributes to the development and maintenance of inter-organizational routines that have been documented to enhance a firm's capability for effectively managing strategic alliance (Zollo *et al.*, 2002).

2.4 Empirical Review of Studies

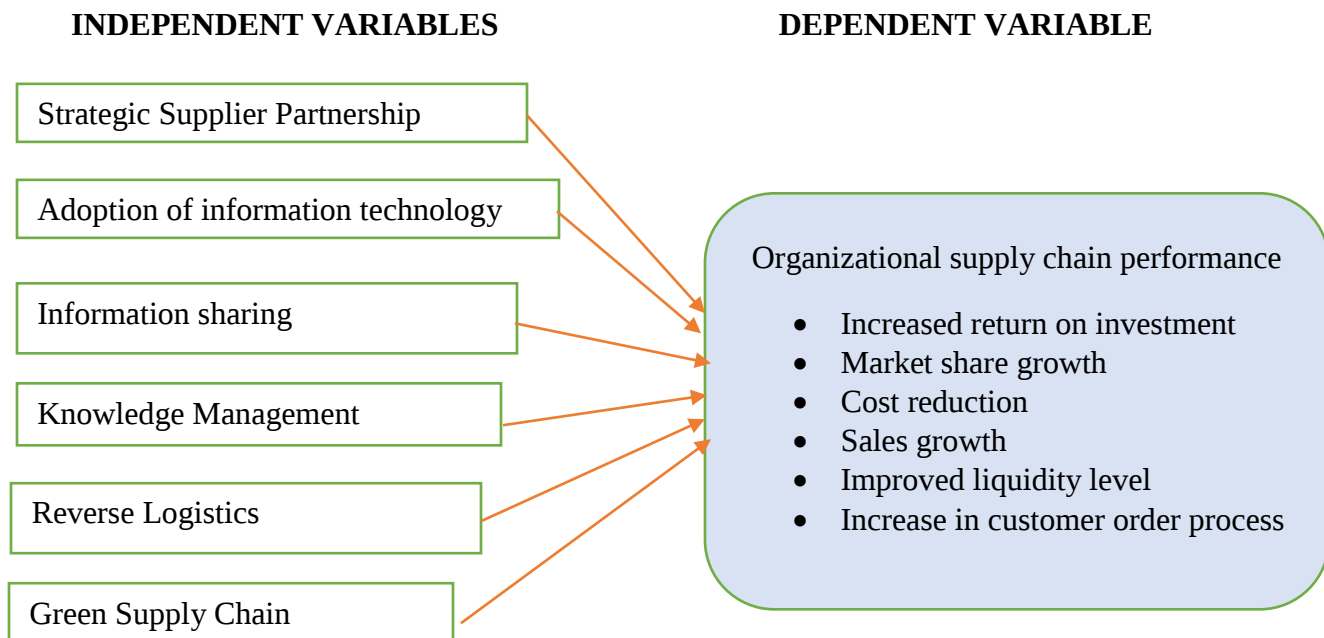
Moslem (2013), conducted research on impact of supply chain management practices on competitive advantage in manufacturing companies of Khuzestan province (Iran) by using strategic partnerships with supplier, customer relationship, information sharing , Quality of information sharing and internal lean practices as independent variables affecting the competitive advantage. The result from this study indicates as there are relationships between SCM practices and competitive advantage. Wijetunge, (2016)conducted research on the role of supply chain management practices in achieving organizational performance through competitive advantage in Sri Lankan SMEs and by considering Customer Relationship Strategic Partnerships with Suppliers, Level of Information Sharing, Quality of Information Sharing, and Internal Supply Chain Process (Postponement). In order to examine the relationship between SCM practices and competitive advantage, correlation analysis was used. Correlation between SCM Practices and Competitive Advantage found significant at 0.01 and it indicated positive relationship concluding that higher the SCM Practices higher the Competitive Advantage.

Lie *et al* (2006); identified supply chain management practices in form of five distinctive dimensions, including strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing and postponement, are selected for measuring SCM practice. The findings of this research support the view that SCM practices can have discernible impact on competitive advantage and organizational performance. Yunas, Primiana, Cahyandito & Kaltum, (2016) studied on the title, New model of competitive advantage of Supply Chain management practices a case of Indonesian cacao manufacturing industry. Results of testing the relationship between constructs shows that there is a significant and positive relationship of supply chain management practice (SCMP) with a competitive advantage (CA) Lenny *et al.* (2007) conducted study on the impact of supply chain management practices on performance of SMEs in Turkey. Based on exploratory factor analysis (EFA), researchers were grouped SCM practices in two factors: outsourcing and multi-suppliers (OMS), and strategic collaboration and lean practices (SCLP). The results indicate that both factors of SCLP and OMS have direct positive and significant impact on operational performance. In contrast, both SCLP and OMS do not have a significant and direct impact on SCM-related organizational performance. Also, as the direct relationship between the two performance-constructs was found significant, both factors of SCM practices have an indirect and significant positive effect on organizational performance through operational. The same supply chain management practices those used by Lie *et al* 2006), were adopted for the assessment of supply chain management practice and firms competitive advantage in the case of MOHA Soft drinks industry Nifas silk plant. Organization can have one or more of the following capabilities when compared to its competitors: lower prices, higher quality, higher de-

pendability, and shorter delivery time. These capabilities will, in turn, enhance the organization's overall performance (Mentzer, Min and Zacharia, 2000).

2.5 Conceptual framework

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel and Ramey, 1987). The schematic diagrams below will not only guide the study but will also show the interrelationship among the key variables in the study as illustrated in Fig. 2.1.



Source: The Conceptual Framework of the study, adopted from Willkister, (2013) modified by the researcher.

CHAPTER THREE

METHODOLOGY OF THE STUDY

This chapter presents the research methodology that was used to carry out the survey, what inform the selection of the research design, the target population, sampling method to be used, data collection instrument and how data was analyzed, interpreted and presented.

3.1 Description of the study area

There are more than a dozen of fast moving consumer goods manufacturing industry that has sited their factory plant in Addis Ababa and surrounding with high concentration in the city skirt. The beverage, soft drink and detergent factories are few in the city of Addis Ababa and the highly state of the art FMCG manufacturing companies which have entered in the business back in few years in the Easter industry zone, Kilinto industry zone and Bole Lemi industry zones. The study will conduct with consultation with higher officers at different levels and staffs, using survey design with structured self-administered questionnaires.

3.2 Research approach

In this study, quantitative approaches was employed to achieve the objectives of the research, to answer the questions raised and test hypotheses. Quantitative research is a means for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. The final written report has a set structure consisting of introduction, literature and theory, methods, results, and discussion (Creswell, 2009). A survey design provides a quantitative or numeric description of trends,

attitudes, or opinions of a population by studying a sample of that population. From sample results, the researcher generalizes or makes claims about the population (*Ibid*). Quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data (Creswell, 2009).

3.3 Research Design

According to Singh, (2006), research design is essentially a statement of the object of the inquiry and the strategies for collecting the evidence, analyzing the evidences and reporting the findings. In this study, both descriptive and explanatory research designs were used. A descriptive cross sectional research design was used to analyze the demographic characteristics of the respondents and their perceptions regarding supply chain practices of Unilever Ethiopia. Explanatory research design was used in order to explain the relationship between the supply chain practices (strategic supplier partnership, adoption of information technology, information sharing, reverse logistics and knowledge management) and their impact on organizational performance. This permitted the researcher to make statistical inference on the broader population and generalize the findings to real life situations and thereby increase the external validity of the study.

3.4 Population of the Study

According to Sydor (2013), understanding and defining the research population is important on many fronts and wrong definition of research population would have implications on the findings (Sydor, 2013).

The target population of this study consisted of all the officers and managers that are indirectly and directly involved in the supply chain of Unilever Ethiopia. Total number of population assessed was 39. Given the relatively small number of the respondents a census survey was conducted. The respondents were the SCM staff including the Logistics, Procurement, Production, Marketing and the Service Officer and management teams.

3.5 Data Source, type and collection method

In this study, both primary and secondary sources of data were used in soliciting information for the study. The primary data was solicited through questionnaire that was collected from the sample respondents/employees. The secondary data was collected from the previous studies, journals, articles and other publications on the impact of supply chain practice on organizational performance.

Moreover, a structured questionnaire which consists of closed-ended questions with a 5 points Likert scale was used and administered through the use of email, drop and pick later method to the firm. The questionnaire had three parts; Part A covered the demographic and respondent's profile, Part B covered the extent to which supply chain management practices have been employed and finally Part C examined the impact of supply chain management practices on organizational performance. The questionnaire allowed greater uniformity in the way questions were asked, ensuring greater compatibility in the responses. The use of close-ended questions on the questionnaire allowed for uniformity of responses to questions (Field, 2005).

3.6 Data Analysis Technique

In this study, the qualitative data collected from respondents through the questionnaire in the form of Likert scale was quantitatively analyzed. Tables were used to summarize the collected data. SPSS version 20.0 was used to help in the computing of the quantitative data. Descriptive statistics were conducted using mean and standard deviation.

A bivariate correlation method was computed to see the association between the six variables (strategic supplier partnership, adoption of information technology, information sharing, reverse logistics and knowledge management) and their impact on organizational performance of Unilever Ethiopia. Furthermore, a multiple regression analysis was used to measure the relative importance of the major variables of supply chain practices in estimating organizational of Unilever Ethiopia.

3.7 Validity and Reliability

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure while reliability has to do with the accuracy and precision of a measurement procedure. A measuring instrument is reliable if it provides consistent results. After the test of validity of the research instrument, the next step is to cross check the constancy and reliability of the instruments.

3.7.1 Validity Test

Validity focuses on what the test or measurement strategy measures and how well it does so (Anastasi & Urbina, 1997). Content validity was addressed through rigorous review by a group of academics to ensure the items reflected the intended variables. Construct va-

lidity is concerned with the theoretical relationship a variable appears to have with another variables as indicated by their respective measures (DeVellis, 2003). Thoroughly reviewed literature and empirical review and the adopted questionnaire used by Lie.*et al.* (2006) confirm that this study addressed validity.

2.7.2 Reliability Test

Reliability refers to the extent to which data collection techniques or analysis procedures yield consistent findings (Saunders, *et al.*, 2009). The most widely used measure known as Cornbrach's alpha is used to test reliability which assesses the consistency of entire scale. One way to try to ensure that measurement error is kept to a minimum is to determine properties of the measure that give us confidence that it is doing its job properly. Reliability is whether an instrument can be interpreted consistently across different situations (Field, 2009). The lower limit for Cornbrash's alpha is 0.70, although it may decrease to 0.60 in exploratory research (Hair *et al.*, 2010). Besides, the reliability of the items in the questionnaires were pre-tested by 20 respondents who are not included in this study by Cronbach's alpha using SPSS version 20 and found reliable since the results of the reliability analysis exceeded 0.70. In addition, the reliability of the overall questionnaire was also done and the test result for each variables exceeded 0.70 hence, said to be reliable and summarized in Table 3.1 below.

Table 3.1: Reliability Analysis

Variable	Number of Items	Cronbach's Alpha
Strategic supplier partnership	6	0.758
IT adoption	4	0.867
Information sharing	6	0.874
Knowledge management	4	0.963
Reverse logistics	3	0.796
Green supply chain	3	0.745

Source: Census Data, 2020

3.8 Ethical Considerations

According to Leedy & Ormarod (2010), there are four ethical issues that need to be addressed in the process of undertaking a research: That are protection from harm, informed consent, right to privacy, and honesty with professional colleagues. Therefore, the participants in this study was selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis; and the researcher assured that as he would keep the information confidential and the data would used only for intended purpose.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

The research objective was to establish the impact of supply chain management practices on organizational performance of Unilever Ethiopia based in Eastern Industrial park. This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations. A total of 39 questionnaires were issued and 37 were filled and returned. This represented a response rate of 95% and this was considered satisfactory for the analysis.

4.1 Demographic and Respondents profile

The characteristics of the respondents were examined in terms of gender, age, years of service, educational level and work unit in which they work.

4.1.1 Respondents' level of education (the company's employees)

Education is paramount in enabling the respondents to conceptualize issues related to resource utilization. This finding was in line with Katz (1992) finding that those with higher education are more successful as they have more knowledge and have modern managerial skills making them more conscious of the reality of the business work. The implication of these proportions is that the collected data had portion in making the findings more useful since the majority of respondents have educational level above first degree.

Table 4.1: Educational qualification of the respondents'

Variable	Description	Frequency	Percentage
Educational Qualification	Diploma/Certificate	2	5.41 %
	Bachelor	28	75.68 %
	Post graduate	6	16.22 %
	Doctorate degree	1	2.70 %

Source: Census data, 2020

As it can be seen from the Table 4.1, the respondents' educational qualification is above 1st degree level i.e. 75.68 % and 16.22 % of the respondents have bachelor and post graduate degree, respectively. This implies that they are capable of conceptualizing and respond authoritatively on issues and practices.

4.1.2. Service Year of the Respondents' in the Selected Department

It is also important to note the experience level of the respondents on the area of the study for the successful implementation of the survey. The following table presents the respondents' experience on selected departments.

Table 4.2: The respondents' Service Year in the selected department

Variable	Description	Frequency	Percentage
Service year of the respondents	1-2 years	3	8.11 %
	2-3 years	6	16.22 %
	3-4 years	17	45.95 %
	4-5 years	11	29.73 %

Source: Census data, 2020

Based on the Table 4.2, almost 75.68 % of the respondents have more than three year experience on the companies logistic and supply chain division. Specifically, 45.95 % of respondents' have 3-4-year experience, 29.73 % have 4-5 years' experience and 16.22 % of them have 2-3 years of experience. However, only 8.11 % of respondents have experience less than 2 year. Therefore, we can conclude that the respondents can understand the supply chain practices and their response were taken as dependable result.

4.1.3. Employee Level of the Respondents in the Company

The other important factor on the respondents' demographic variable is the respondents' level of employment in the company. In Unilever Ethiopia, there are different levels of employment starting form staff level to the highest level of ranking as the chief officer. The following table shows the respondents' employment level in the company.

Table 4.3: Position of the Respondents' in the Company

Variable	Description	Frequency	Percentage
Level of employment	Officer	6	16.22 %
	Manager	18	48.65 %
	Supervisor	7	18.92 %
	Staff	6	16.22 %

Source: Census data, 2020

In relations to the position of respondents in the factory, 18 respondents which accounts 48.65 % were Managers, 7 respondents were supervisors which accounts 18.92% while other positions 6 respondents which contributed 16.22% each of the total respondents were the officers and Staff.

4.1.4. Departments of the Respondents in the Company

In logistic and supply chain division of Unilever Ethiopia, there are five departments, namely sourcing department, logistic and supply chain department, facility and fleet department, Import department and Export department. However, due to the employees detail involvement for the companies supply chain operational activity, the researcher has selected only two department employees for this survey as the respondents'. The following table shows the frequency and the percentage of response in the departments.

Table 4.4: The frequency and percentage of the respondents' in each department

Variable	Description	Frequency	Percentage
Department	Logistics and Supply Chain	15	40.54 %
	Facility and Fleet	13	35.14 %
	Import/Export	9	24.32 %

Source: Census data, 2020

As it can be seen on the table 4.1, the number of respondents' on the three selected department is proportionate. 40.54 % of them are from logistics and Supply Chain, 35.14 % of them are from Facility and Fleet, and the remaining 24.32 % is from Import/Export department. This implies that the responses collected from them acquire detail and end-to-end information for the census. Therefore, the findings can be generalizable for the company.

4.2 Descriptive Analysis of data

4.2.1 Extent of the adoption of Supply chain management

Different organizations adopt different supply chain management practices depending on the activities that they are engaged in and also which supply chain practice will yield bet-

ter competitiveness to the firm. These companies set up their processes based on knowledge of existing supplier partnership, management of knowledge, reverse logistics and green supply chain. This section sought to establish whether the firms under consideration had put in place supply chain practices and also whether they appreciate the effect that the supply chain had on the performance of the firm.

4.2.2 Adoption of the supply chain management practices

On the question of whether the company surveyed practice any form of supply chain, 86.49% of the employees answered in affirmative while 13.51% seem not to appreciate the effect of supply chain management practices on the organization's performance. The results are presented in figure 4.5 below.

Figure 4.5: Adoption of Supply Chain Management Practices

Variable	Description	Frequency	Percentage
Does your organization practice supply chain management in recognition of its effect on organizational performance?	Yes	32	86.49 %
	No	5	13.51 %

Source: Census data, 2020

The results show that majority of the respondents (86.49 %) have confirmed Unilever Ethiopia adopted different forms of supply chain practices on the recognition that the same will have a positive impact on their performance.

4.2.3 Effect of Supply Chain Management Practices on Organizational Performance

The questions sought to establish from the respondents the various benefits accruing to the firm as a result of adopting various supply chain management practices in their distribution channel. The results are presented in table 4.6.

Table 4.6: Effect of Supply Chain Practices on Organizational Performance

Organizational Performance	Mean	Std. Deviation
Increased Return on investment	4.1765	.95101
Market share growth	3.9412	.89935
Cost reduction	4.2941	.77174
Sales growth	4.0000	.79057
Improved liquidity level	3.8235	.80896
Reduction in response time of product design	3.7059	1.04670
Reduction in response time for product volume	3.7059	.91956
Increase in customer order process	4.0000	.93541
Overall Mean	3.5163	0.8904

Source: Census data, 2020

The results presented in table 4.6 was that supply chain practices adopted by a firm had effects in all the financial performance and non-financial measures adopted with cost reduction (mean=4.2941) and increased Return on Investment (mean =4.1765) being greatly influenced by the adoption of the supply chain practices. An increase in customer order process and delivery of the firm's products (mean =4.00) were also influenced highly by the firm's nature of supply chain practices. These results show that an effective adoption of supply chain practices will help in reduction of operating costs associated with the de-

livery of raw materials and also the distribution of the final product. The raw material and end products are large products and it is expected therefore that the management of the transportation cost component of the firms will affect the performance of the firm. In addition, the results also show that effective supply chain practices influences the liquidity level (mean= 3.8235), reduction in response time of product design (mean= 3.7059) and reduction in response time for product volume changes (mean= 3.7059). These findings further explain the need for a firm to implement the concept of supply chain management in their operation.

4.2.4 Impact of Supply Chain Management Practices on Organizational Performance

The respondents were asked to indicate the effect that various supply chain practices have had on the performance of the firms. The supply chain practices considered were strategic supplier partnership, adoption of information, information sharing, knowledge management, reverse logistics and green supply chain in a five point Likert scale. The range was ‘strongly disagree (1)’ to ‘strongly agree’ (5). The scores of strongly disagree have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \leq S.E. < 2.4$). The scores of ‘moderate’ have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: ($2.5 \leq M.E. < 3.4$) and the score of both agree and strongly agree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ($3.5 \leq L.E. < 5.0$). The results are presented in table 4.7.

Table 4.7: Effect of Supply Chain Management Practices on Performance

Strategic Supplier Partnership	Mean	Std. Deviation
1. We analyze our suppliers before contracting them and also develop unique cordial relationship with them for effective delivery of raw materials	4.4118	.79521
2. We actively involve our suppliers in new product and their development process	3.1765	1.42457
3. We include our suppliers in production and quality of finished goods setting and at the same time continuously support them.	3.2353	1.34766
4. The supplier partnership has created unique knowledge on the input needs and challenges that has been applied to improve business knowledge and performance	3.4706	1.32842
5. As a result of the supplier partnership, we have continuous improvement programs that include our suppliers processes and this has helped the firm to improve its various performance measures	3.6471	1.41161
Overall Mean	3.5883	1.2615
Adoption of Information Technology		
1. The introduction and installation of internet-based infrastructure has enabled the firm to communicate with its suppliers more easily and react where need be faster in solving challenges arising in the transaction	4.0588	1.24853
2. Adoption of IT has also facilitated internet-based technology, information flow within the organization's departments and therefore improved the quality of information sharing.	4.1176	1.26897
3. The flexibility of product specifications and testing of raw materials has been enhanced due to the adoption of information technology and as a result reduced the overall cost of the company.	3.7059	1.31171
Overall mean	3.9608	1.2764
Reverse Logistics		
1. Adoption of the pre-return labels in the raw materials has hastened the process of reverse supply chain	3.5882	1.32565
2. Sustainable production and consumption of products has result-	3.5294	1.06757

ed		
3. Self-satisfaction resulting from preservation of the environment	3.5882	1.12132
Overall mean	3.5686	1.1715

Source: Census data, 2020

The findings on the strategic supplier partnership as a supply chain management practice was that analyzing the firms' suppliers before contracting them and also developing unique cordial relationship with them for effective delivery of raw material (mean= 4.4118) were the major activities that result in improved organizational performance. This means that organizations should endeavor to have a liaison office where supplier's suggestions and input to the supply chain operations will be considered and if possible implemented. Their knowledge and performance came out as the major activities identified that have a greater effect on the performance of the firm. Otherwise, the process of including the firms' suppliers in production and quality of finished products setting (mean= 3.2353) and also involving their suppliers in new product and development process (mean=3.1765) was found to have had a strong effect on the operational performance of the firms. The adoption of information technology by a firm came out also as a strong factor that influences the performance of the firms. The introduction and installation of internet-based infrastructure in the supply chain (mean= 4.0588), adoption of IT in a firm to facilitate internet-based technology, as well as introducing flexibility in product specifications and testing of raw materials was identified as having enhanced better operations of the firms. The reverse supply chain process also came out as a major activity undertaken by sugar firms. Adoption of the pre-return labels in the raw materials has hastened the process of reverse supply chain (mean= 3.5882) and sustainable production and consumption of products has resulted (mean =3.5294) in the firms being more environ-

mental friendly which has at the same time helped in conserving the environment through reduction of waste disposal and reduction of the level of law suits resulting from environmental degradation.

Table 4.8: Effect of Information Sharing, Knowledge Management and Green Supply Chain on Organizational Performance

	Mean	Std. Deviation
Information Sharing		
1. Information sharing among different manufacturing firms has enhanced controllability of supply chain management and as a result reduced transaction costs between firms and their partners	3.8706	1.06757
2. Our suppliers share proprietary information between themselves and the firms and as a result led to improvement in raw material quality and output	3.8882	1.22774
3. Our suppliers keep us fully informed about the issues that affect our businesses in comparison with our competitors	3.7059	1.21268
4. We and our suppliers exchange information that help in establishment of business planning	3.4118	1.41681
Overall Mean	3.7191	1.2312
Knowledge Management		
1. Sharing of knowledge between the firm and the suppliers has helped the firm to manage uncertainty since the suppliers have faith and dependence in the firm.	3.6471	1.16946
2. Knowledge management systems for organizations create a greater base for tacit learning to be leveraged	3.7647	1.09141
3. Knowledge management in SCM are lower costs, improved customer value and satisfaction in the firm to achieve competitive advantage	3.5294	1.12459
Overall Mean	3.6471	1.1285
Green Supply Chain		
1. The attaining of ISO 14001 by the company has increased its customer loyalty	3.5118	1.27764

2. The organization has included GSCMP in its strategic planning process in order to reduce its operational costs	3.5353	1.34766
3. By employing in-bound logistics the company has been able to grow its market share through having a larger geographical coverage	3.4353	1.56243
Overall mean	3.4941	1.3959

Source: Census data, 2020

The effect of information sharing on the performance of Unilever Ethiopia also sought. The results of the study were that the firms' practice of information sharing among different manufacturing firms (mean=3.8706); keeping employees informed on the issues that affect the businesses (mean= 3.7059), sharing of the proprietary information between customers, employees and the firms (mean=3.8882) came out as a common practice that is employed by the Unilever Ethiopia. This means that the organization is advised to share selected strategies among their employees and also some major clients in order to reduce the level of resistance between the groups when the practice is adopted. The management of the organization's knowledge pool contained by their employees is yet another critical factor to consider by the firms. Adoption of knowledge management systems for organizations creates a greater base for tacit learning (mean=3.7647), sharing of knowledge between the firms and the suppliers help the firms to manage uncertainty (mean= 3.6471) were found to reduce the cost levels of the firms and also increase customer value and satisfaction.

Moreover, it has been found out that the attaining of ISO 14001 by the company has increased its customer loyalty (mean=3.5118) and the organization has included green supply chain management in its strategic planning process (mean=3.5353).

The sharing information has been found to be an important parameter in the supply chain process of a firm. Advances in information technology enable information availability which facilitates communication, coordination, collaboration and controllability among supply chain partners through information sharing. As observed by Lang (2001), supply chain management through better information linkages among business partners, will be able to highlight various deficiencies present in the supply chain which might include, long lead times, large batch sizes, high inventory levels, slow new product design and development, and long order fulfillment cycles. Therefore, in conformity with the results of this research, by identifying the deficiencies early enough in the supply chain, the organization can be able to mitigate the same before its effect can have adverse impact on the organizations performance.

A stronger emphasis on knowledge management as part of organizational strategy may help supply managers to manage uncertainty better. This finding will be in line with that of Iyer and Ye, (2000). It is observed that establishment of internal knowledge management systems for organizations create a greater base for tacit learning to be leveraged. On the other hand, external knowledge management brings value chain members closer together and adds value to the product through increased quality and customer perception of brand platforms. As companies adopt green supply chain, there is need for the same firms to set up their processes based on knowledge of existing environmental collaboration, environmental monitoring, purchasing and in-bound logistics, need of greening the production phase and also the need for greening the outbound function and reverse logistics functions.

This will be a more holistic consideration in the greening process and avoids a situation where not all the green supply chain practice is undertaken by the firm. What comes out from the finding is that for a firm to realize the benefits of adopting the supply chain practices, there is need to approach the same through a holistic view and not only employing a selectively.

4.3 Inferential analysis of data

4.3.1 Correlation Analysis

In this section, the relationship between supply chain practices and organizational performance was investigated using Pearson Correlation Analysis. The interpretation was made based on the following measurement scale intervals or range. 1 perfect, 0.8-0.9 very strong, 0.5-0.8 strong, 0.3-0.5 moderate, 0.1-0.3 modest, >0.1 weak, 0 zero, -1 perfect, -0.8 - -0.9 very strong, -0.5- -0.8 strong, -0.3 - -0.5 moderate, -0.1 - -0.3 modest, and > -0.1 weak. (McDaniel and Gates (2006).

Table I Correlation Analysis

	Supply chain practices	Organizational Performance
Strategic supplier partnership	Pearson Correlation Sig. (2-tailed) N	.839** 0 37
Adoption of information technology	Pearson Correlation Sig. (2-tailed) N	.706** 0 37
Information sharing	Pearson Correlation Sig. (2-tailed) N	.787** 0 37
Knowledge Management	Pearson Correlation Sig. (2-tailed) N	.709** 0 37
Reverse Logistics	Pearson Correlation Sig. (2-tailed)	.602** 0

	N	37
Green supply chain	Pearson Correlation	.635**
	Sig. (2-tailed)	0
	N	37

Source: Census Data,2020

As it can be seen from Table 4.9 above it is evident that there is a positive and strong relationship between strategic supplier partnership and organizational performance ($r=0.839$, $p\text{-value} < 0.001$); there is a positive and strong relationship between adoption of information technology and organizational performance ($r=0.706$, $p\text{-value} < 0.001$), there is a positive and strong relationship between information sharing and organizational performance ($r=0.787$, $p\text{-value} < 0.001$); there is a positive and strong relationship between knowledge management and organizational performance ($r=0.709$, $p\text{-value} < 0.001$); there is a positive and strong relationship between reverse logistics and organizational performance ($r=0.602$, $p\text{-value} < 0.001$) Finally, there is a positive, and strong relationship between green supply chain and organizational performance ($r=0.635$, $p\text{-value} < 0.001$).

4.3.2 Multiple Linear Regression

The effect of supply chain practices on the firm's performance was investigated from the results of the respondents using regression analysis as depicted in **Table 4.10** below.

Table 4.10: Stepwise Multiple Regression Analysis: Results of Coefficient

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig	Collinearity statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	46.234	5.618	.936	1.436	.000	.248	4.029
X ₁ = Strategic Supplier Partnership	3.007	1.006	.568	1.249	.000	.284	3.525

X ₂ = Adoption of Information Technology	2.009	.906	.545	1.566	.001	.225	4.453
X ₃ = Information Sharing	1.140	.205	.417	.061	.000	.204	4.904
X ₄ = Knowledge Management	.648	.076	.349	1.349	.001	.211	4.733
X ₅ = Reverse Logistics	.913	.173	.243	1.324	.000	.368	2.719
X ₆ = Green supply chain	1.025	.348	.514	1.531	.038	.227	4.409

Source: Census data, 2020

4.3.2. Hypothesis Testing

Proposed hypothesis are tested based on the results of the regression analysis.

Hypothesis 1:1 Strategic supplier partnership significantly and positively affects organizational supply chain performance

Hypothesis 0:1: Strategic supplier partnership has no effect/impact on organizational supply chain performance.

The results of multiple regressions, as presented in table 4.9 above, revealed that strategic supplier partnership has a positive and significant effect on organizational supply chain performance with a β value ($\beta = .568$), at 95% confidence level ($p < 0.05$). The null hypothesis is rejected the alternative hypothesis that states that strategic supplier partnership has a positive and significant effect on organizational performance is accepted.

Hypothesis 1:2 Adoption of information technology significantly and positively affects organizational supply chain performance

Hypothesis 0:2 Adoption of information technology has no effect on organizational supply chain performance

The results of multiple regressions, as presented in table 4.9 above, revealed that adoption of information technology has a positive and significant effect on organizational supply chain performance with a β value ($\beta = .545$), at 95% confidence level ($p < 0.05$). The null hypothesis is rejected the alternative hypothesis that states that adoption of information

technology has a positive and significant effect on organizational performance is accepted.

Hypothesis 1:3 *Information sharing significantly and positively affects organizational supply chain performance*

Hypothesis 0:3 *Information sharing has no effect on organizational supply chain performance*

The results of multiple regressions, as presented in table 4.9 above, revealed that information sharing has a positive and significant effect on organizational supply chain performance with a β value ($\beta = .417$), at 95% confidence level ($p < 0.05$). The null hypothesis is rejected the alternative hypothesis that states that information sharing has a positive and significant effect on organizational performance is accepted.

Hypothesis 1:4 *Knowledge management significantly and positively affects organizational supply chain performance*

Hypothesis 0:4 *Knowledge management has no effect on organizational supply chain performance*

The results of multiple regressions, as presented in table 4.9 above, revealed that knowledge management has a positive and significant effect on organizational supply chain performance with a β value ($\beta = .349$), at 95% confidence level ($p < 0.05$). The null hypothesis is rejected the alternative hypothesis that states that knowledge management has a positive and significant effect on organizational performance is accepted.

Hypothesis 1:5 *Reverse Logistics significantly and positively affects organizational supply chain performance*

Hypothesis 0:5 *Reverse Logistics has no effect on organizational supply chain performance*

The results of multiple regressions, as presented in table 4.9 above, revealed that reverse logistics has a positive and significant effect on organizational supply chain performance with a β value ($\beta = .243$), at 95% confidence level ($p < 0.05$). The null hypothesis is re-

jected the alternative hypothesis that states that reverse logistics has a positive and significant effect on organizational performance is accepted.

Hypothesis 1:6: Green supply chain significantly and positively affect organizational supply chain performance

Hypothesis 0:6: Green supply chain has no effect on organizational supply chain performance

The results of multiple regressions, as presented in table 4.9 above, revealed that green supply has a positive and significant effect on organizational supply chain performance with a β value ($\beta = .514$), at 95% confidence level ($p < 0.05$). The null hypothesis is rejected the alternative hypothesis that states that green supply has a positive and significant effect on organizational performance is accepted.

The coefficient of all the independent variables are positive at $p < 0.05$, and implies that the increase in the independent variables results in an increase in the firm's supply chain performance. From the coefficients, it can be deduced that the most critical factor which affects an organizations supply chain performance is the supplier partnership ($\beta = 0.568$). This could be due to the increased level of competition in the international market and the increased number of FMCG manufacturing companies which therefore requires that a firm adopt a positive partnership with its suppliers for effective performance.

Table 4.10: Stepwise Multiple Regression Analysis: Results of Model Summary

			Adjusted R	Std. Error of	F –statistic
1	.764 ^a	.5834	.439	.2296886	59.4

a. Predictors: (Constant), strategic supplier partnership, adoption of information technology, information sharing, reverse logistics and knowledge management

Table 4.10 above shows the model summary of the regression analysis and it reveals that there is a significant overall contribution of the six variables on organizational performance of Unilever Ethiopia. The R^2 , also called the coefficient of determination, is the percentage of the variance in the dependent variable explained uniquely or jointly by the independent variables and is 58.34 %. This means that 58.34 % of the changes in the firms supply chain performance are explained by the changes in the independent variables in the model. The remaining 41.66% is explained by other factors not in the model. The F- statistic (59.4) is high and this means that the model is significant at the 5% significance level. The high coefficient of determination supports the position that a firm's supply chain management practice affects the performance of the entity from both the customers' perspective and the financial position of the firm. There is need to for a company to adopt a holistic approach where a firm identifies all the necessary supply chain practices that will affect its performance and from the same implement them. There should be the top management support to ensure that the implementation phase of the supply chain practices does not face the resource constraints and inter departmental support. The support of the management is consistent with Hamister and Suresh, (2008) position that implementation of supply chain practices requires coordination among different departments and this can run smoothly if the top management is involved in the process.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the findings

Based on the descriptive and inferential analysis result presented in chapter four, summary of the major findings are outlined below:

Based on the cumulative result of descriptive statistics:

- Majority of the respondents (86.49 %) have confirmed that Unilever Ethiopia adopted different forms of supply chain practices on the recognition that the same would have a positive impact on their performance.
- Organizational performance scored overall mean of 3.5162 and a standard deviation of 0.8904. This shows that Unilever Ethiopia has above average organizational supply chain performance.
- Strategic supplier partnership has scored a mean of 3.5883 and a standard deviation of 1.2615, this result shows that respondents' level of agreement towards the strategic supplier relationship practice is above average.
- Adoption of information technology has scored a mean of 3.9608 and a standard deviation of 1.2764, this result shows that respondents' level of agreement towards the practice of the adoption of information technology is high.
- Reverse logistics scored overall mean of 3.5686 and a standard deviation of 1.1715. This shows that respondents' level of agreement towards the practice of reverse logistics is above average.

- Information sharing scored overall mean of 3.5441 and a standard deviation of 1.2312. This shows that respondents' level of agreement towards the practice of information sharing is above average.
- Knowledge management scored overall mean of 3.6471 and a standard deviation of 1.1285. This shows that respondents' level of agreement towards the practice of knowledge management is above average.
- Green supply chain scored overall mean of 3.4941 and a standard deviation of 1.3959. This shows that respondents' level of agreement towards the practice of green supply chain is above average.

Based on the inferential analysis,

- The correlation result shows that there is positive and significant relationship between strategic supplier partnership, adoption of information technology, information sharing, knowledge management, reverse logistics, green supply chain and organizational performance with ($r=.839^{**}$, $P<0.01$, $r=.706^{**}$, $P<0.01$, $r=.787^{**}$, $P<0.01$, $r=.709^{**}$, $P<0.01$, $r=.602^{**}$, $P<0.01$, $r=.635^{**}$, $P<0.01$) respectively. The finding further indicates that the highest relationship is found between strategic supplier partnership and organizational performance ($r = .839^{**}$ and $P < 0.01$).
- With reference to the regression result, the findings show that
 - Strategic supplier partnership significantly explains the variation in organizational supply chain performance with Beta value of $\beta=0.568$. Therefore H1: there is a positive and significant effect of strategic supplier partnership on organizational performance is supported.

- Adoption of information technology significantly explains the variation in organizational supply chain performance with Beta value of $\beta=0.545$. Therefore H1: there is a positive and significant effect of adoption of information technology on organizational performance is supported.
- Information sharing significantly explains the variation in organizational supply chain performance with Beta value of $\beta=0.417$. Therefore H1: there is a positive and significant effect of information sharing on organizational performance is supported.
- Knowledge management significantly explains the variation in organizational supply chain performance with Beta value of $\beta=0.349$. Therefore H1: there is a positive and significant effect of knowledge management on organizational performance is supported.
- Reverse logistics significantly explains the variation in organizational supply chain performance with Beta value of $\beta=0.243$. Therefore H1: there is a positive and significant effect of information sharing on organizational performance is supported.
- Green supply chain significantly explains the variation in organizational supply chain performance with Beta value of $\beta=0.514$. Therefore H1: there is a positive and significant effect of green supply chain on organizational performance is supported.
- The overall, results shows that all independent variables accounted for 58.34% of the variance in perceived transport service quality ($R^2 = 0.58.34$). Thus, 58.34% of the variation in organizational supply chain per-

formance can be explained by the strategic supplier partnership, adoption of information technology, information sharing, knowledge management, reverse logistics and green supply chain and other unexplored factors may limit organizational performance, which accounts for about 41.66%.

5.2 Conclusion

Improving product and process quality have been well established as ways by which organizations can respond to increased global competition. However, the challenges facing organizations at the present business environment go beyond improving quality. Organizations are increasingly faced with the reality that they cannot exist in isolation but are one piece of a complex chain of business activity. The results of this study support this notion and confirm that all three major components of a supply chain; suppliers, manufacturers, and customers must be effectively integrated in order to achieve financial and growth objectives. Moreover, the results indicate well defined linkages between specific practices and performance. Successful management of the supply chain is the key to the long term success of an organization. This cannot occur however if organizations implement business practices in an arbitrary, uncoordinated manner, or if they direct scarce financial resources to initiatives that are unlikely to yield positive outcomes.

From the findings of the study, it can also be concluded that the organizational performance does not result from the products and services an organization is offering alone but instead it is those inimitable characteristics of a firm such as policies and supply chain practices that will differentiate and give an organization the required competitiveness. The benefits accruing to the companies as a result of the adoption of supply chain prac-

tices have been found to include competitive advantage, reduction in operational cost and also increasing the customer loyalty and customer base. They should however be weary of the challenges which inhibit them from obtaining economies of scale and significantly reduces the economic value from the adoption of the green supply chain concepts.

5.3 Recommendations

The study found out that Unilever Ethiopia have adopted supply chain management and at the same time those which practice it have not embraced it fully due to the initial cost incurred in setting up the supply chain division of the firm. It is therefore recommended that the companies should consider adopting supply chain practices fully as the potential benefits to be realized are enormous compared to the initial and operational cost of implementing the practice. The government has a role to play in ensuring successful implementation of some supply chain practices such as green supply chain in organizations by coming up with appropriate measures that will encourage the organization to adopt the practice.

5.4 Limitations of the study

The study was conducted using a predetermined questionnaire. This hindered respondents from expressing their views freely and widely. The study involved managers working in different departments (procurement, Logistics and Supply Chain, Facility and Fleet and Import/Export service), this may have affected the results as the effect of supply chain management practices may vary in each department.

5.5 Recommendations for further research

Future research is needed to extend the findings of this study. The study has addressed the practices of organizations only downstream. In the future, a truly integrated supply chain may consist of multiple organizations in a chain working together to bring the latest technological innovations and products to customers at the lowest cost in the shortest time. There is a need to understand how future strategies will unfold give different competitive objectives. An additional question is how companies will share financial rewards.

From the regression finding, other factors not in the model that affects the performance of Unilever Ethiopia constitute 41.66%. These unexplained variables in the supply chain need to be established, and from this, there is need for a research that will introduce more independent variables especially other supply chain practices to establish how the level of association with the firm performance will be like.

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APPENDIX A: RESEARCH QUESTIONNAIRE

Dear respondents, the purpose of this questionnaire is to gather data on the impact of supply chain management practices on the organizational performance: the case of Unilever Ethiopia. The study is purely for academic purpose and thus not affects you in any case. So, your genuine, frank and timely response is vital for successfulness of the study. Therefore, I kindly request you to respond to each items of the question very carefully.

In order to investigate the impact of SCM practices on Unilever Ethiopia performance, the researcher prepared the following questions, please tick (✓) on the appropriate question number to indicate the extent to which you agree or disagree with each statement. The item have five-point Likert type scales, the scales have the following meaning: 1. Strongly Disagree; 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree

General Instructions

- There is no need of writing your name
- Where answer options are available, please tick (✓) in the appropriate box.

Contact Address

If you have any query, please do not hesitate to contact me and I am available as per your convenience at (Mobile: 0912-799939 or e-mail:my_eeste@yqhoo.com)

Thank you for spending your precious time in advance!

PART I: Demographic Information

1. Educational Qualification:

☐	Certificate/diplomas
☐	Bachelor's degree
☐	Post Graduate degree
☐	Doctorate degree

2. Employee Level

☐	Staff
☐	Supervisor
☐	Manager
☐	Officer

3. Years stayed at the sourcing and supply chain division:

☐	1 - 2 Years
☐	2 - 3 Years
☐	3 - 4 Years
☐	4 - 5 years

4. Your department

☐	Logistics and Supply Chain
☐	Facility and Fleet
☐	Import/Export

PART II: Extent to which supply chain management practices have been adopted

5. Does your organization practice supply chain management in recognition of its effect on organizational performance?

Yes ()

No ()

6. The statements below describe the extent of supply chain management practices on organizational performance. Please indicate the extent to which the supply chain management practices adopted by your organization have influenced performance:

		5	4	3	2	1
1	Return on Investment					
2	Market share growth					
3	Total cost reduction					
4	Sale growth					
5	Financial liquidity					
6	The reduction of response time for product design change					
7	The accuracy of order processing for customers					
8	The accuracy of order processing for customers					

Part III: Impact of supply chain management practices on organizational performance

7. Below are some of the supply chain management practices that can be employed by a firm, Please tick appropriately the extent to which your organization has been practicing the following supply chain management practices and the degree to which it has affected the organizational performance.

	Strategic Supplier Partnership	5	4	3	2	1
1	We analyze our suppliers before contracting them and also develop unique cordial relationship with them for effective delivery of cane					
2	We actively involve our suppliers in new sugar cane breed and their development process					
3	We include our suppliers in production and quality of sugarcane setting and at the same time continuously support them.					
4	The supplier partnership has created unique knowledge on the farmers' needs and challenges that has been applied to improve business knowledge and performance.					
5	As a result of the supplier partnership, we have continuous improvement programs that include our suppliers processes and this has helped the firm to improve its various performance measures					
6	Our strategic sourcing has also influenced knowledge creation and sharing among suppliers and retailers					
	Adoption of Information Technology	5	4	3	2	1
1	The introduction and installation of internet-based infrastructure has enabled the firm to communicate with its suppliers more easily and react where need be					

	faster in solving challenges arising in the transaction.					
2	Adoption of IT has also facilitated internet-based technology, information flow within the organization's departments and therefore improved the quality of information sharing.					
3	The flexibility of product specifications and testing of raw materials has been enhanced due to the adoption of information technology and as a result reduced the overall cost of the company.					
4	The adoption of IT has helped the organization get accurate information of inputs as well outputs from the firm and therefore helped in reducing losses.					
	Information Sharing	5	4	3	2	1
1	Information sharing among different sugar manufacturing firms has advanced the controllability of supply chain management and as a result reduced transaction costs between firms and their partners					
2	Our suppliers share proprietary information between themselves and the firms and as a result led to improvement in raw material quality and output					
3	Our suppliers keep us fully informed about the issues that affect our businesses in comparison with our competitors					
4	We and our suppliers exchange information that help in establishment of business planning					
5	Sharing information in the early stages of product development better positions the firm to support the retailer while avoiding costly stocking errors.					
6	Information exchange between our suppliers and us is timely, accurate and					

	complete.					
	Knowledge Management	5	4	3	2	1
1	The sharing of knowledge between the firm and the suppliers has helped the firm to manage uncertainty since the suppliers have faith and dependence in the firm.					
2	The establishment of internal knowledge management systems for organizations create a greater base for tacit learning to be leveraged					
3	The consequences of knowledge management in SCM are lower costs, improved customer value and satisfaction in the firm to achieve competitive advantage					
4	The establishment of internal knowledge management systems has created opportunities for reduction of knowledge isolation within departments and instead created a greater base for tacit knowledge to be leveraged.					
	Reverse Logistics	5	4	3	2	1
1	Adoption of the pre-return labels in the raw materials has hastened the process of reverse supply chain					
2	Sustainable production and consumption of products has resulted					
3	Self-satisfaction resulting from preservation of the environment					
	Green Supply Chain	5	4	3	2	1
1	The attaining of ISO 14001 by the company has increased its customer loyalty.					
2	The organization has included GSCMP in its strategic planning process in order to reduce its operational costs					

3	By employing in-bound logistics the company has been able to grow its market share through having a larger geographical coverage					
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*****THANK YOU FOR YOUR COOPERATION*****

Appendix B: Multi collinearity test for independent variables

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Strategic Supplier Partnership	.258	5.029
	Adoption of information technology	.274	3.525
	Information Sharing	.215	4.453
	Knowledge Management	.204	4.904
	Reverse Logistics	.271	4.833
	Green Supply Chain	.378	2.819
a. Dependent Variable: Organizational performance			

Note: the collinearity between independent variables has no serious problem since the value of tolerance for all independent variables is greater than 0.2 according to Mendard (1995).and all VIF is less than ten ($VIF < 10$) according to (Myers, 1990). Therefore, the assumption for regression analysis are met.