THE EFFECT OF SUPPLY CHAIN STRATEGY ON ORGANIZATIONAL PERFORMANCE: THE CASE OF EAST AFRICAN BOTTLING S.C.

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DECLARATION

The researcher, Nahom Tedla T., hereby declares that the thesis dissertation work entitled "The Effect of Supply Chain Strategy on Organizational performance: The case of East African Bottling S.C." is to his awareness a true and authentic product of his own labor. And hitherto has not been submitted or made available in any form - in its entirety or partially - at any other academic institution for the purpose of securing any degree of certification. While this document is an authentic new production, some previous works have been used to establish precedence of ideas. To the extent necessary, all due recognition and acknowledgment has been afforded to the authors of such material cited in this thesis.

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GRADUATE PROGRAM

This is to Certify that the thesis prepared by Nahom Tedla, bearing the title: "The Effect of Supply Chain Strategy on Organizational Performance: The case of East African Bottling S.C, produced pursuant to the requisites for the Degree of Masters of Art in Logistics and Supply Chain Management is relevant, original and meets the quality standards put in place by the University.

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LIST OF ABBREVIATIONS

ANMS: Asset Network Management Strategy

CCS: Coca Cola South Africa

CEO-ETH: Chief Executive officer of Ethiopia

COO: Chief Operation Officer

CS: Collinearity Statistics

CS: Channel Strategy

CSMS: Customer Service Management Strategy

EABSC: East African Bottling Share Company

GOS: Growth on Sales

MS: Manufacturing Strategy

MSC: Market Share Constructs

OS: Outsourcing Strategy

S.E.: Standard Error

SC: Supply Chain

SC: Standardized Coefficients

SPM: Sales Profit Margin

ROI: Return on Investment

USC: Un-Standardized Coefficients

ABSTRACT

The core motivation for conducting this study was the need to investigate the understanding, practical implementation of supply chain strategy and its effect on organizational performance in the case of East Africa Bottling S.C. with objectives such as: collecting and analyzing data on identifying supply chain practices in the company pertaining to supply chain strategy, carrying out an assessment on the Modus Operandi through which supply chain strategy are put to effect in the company, and outlining the implications of such strategies on the organizational performance. Questionnaires were used to collect data from 113 relevant employees. Primary data was supplemented with secondary data garnered from the organization annual reports to a limited extent. Having done so, the data gathered was subjected to quantitative statistical regression analysis using the SPSS statistical software with the intent of finding proofs for or against alternate knowledge claims. The calculations carried out include: the Pearson Correlation Test and multiple linear regression models. In the end, the study provided insight alluding to the fact that a lion's share of the subjects involved in the study had awareness of the merits of implementing supply chain strategy. And, such strategies were practiced evenly as well as moderately in the relevant divisions of the company's activities. However, there was an observed negative measurement relating to the implementation of customer service strategy. Finally, pursuant to the initial intentions of the researcher, relevant areas that merit further investigation were enumerated alongside the suggestion that there be a holistic investigation at the level of the food and beverage manufacturing sector in Ethiopia.

Keywords: *Supply Chain Strategy and Organizational Performance*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The idea of supply chain strategy has increased in fame since the 1990s. Since that time the world has gone through a period of concentrated rivalry in the worldwide market to convey items or administration at an ideal spot and at the perfect time. Numerous ventures have tried their chance at implementing their own versions of supply chain management. Instances of early adopters of supply chain management strategy – who made outstanding organizational performance, include Hewlett Packard, West Co., Becton Dickinson, Baxter, Whirlpool, Wal-Mart, Georgia-Pacific Corp. (Baharanchi, 2009).

Firms are enhancing their organizational performance to be successful in the new markets that are more competitive and rapidly evolving. So as to prevail in these business sectors, watchful firms are attempting to be more agile, responsive, client arranged and adaptable to meet new goals. The aforementioned enterprises have understood the significance of supply chain strategy and the working of accomplice firms (Ibrahim and Hamid, 2014).

The best organizations around the globe are realizing the advantages of the credible upper hand to be gained by implementing a supply chain strategy, the broad procedures involved there in, in those coordinated exercises that start by putting up an item for sale to the public and end with having fulfilled clients. Flexible supply chain - the executive's methodology program - incorporates individuals from assembly, buying, transportation, and physical dissemination into a single coordinated whole. Effective supply chain strategy, at that point, facilitates and incorporates these exercises into a consistent procedure (Garry, 2012).

Supply chain management strategy is a subset of different management tools like international trade, manufacturing, sourcing and outsourcing, offshore management, green logistics, reverse logistics, negotiation on purchasing, transportation, warehousing, and inventory management and after sales of goods or return of goods. In general, supply chain management strategies are applied to administer supply and demand effect models within and beyond a organizational entity. While the concept of logistics management can be presented as part of supply chain management involved in a detailed and systematic process of coordinating and executing a reliable forward operation and reverse distribution, storage of end products and raw materials as well as relevant symmetry of knowledge

between the place of initial origin and the terminal place of delivery to meet human demands (Srivastava, 2007).

A couple of years prior, logistics and supply chain strategies were viewed as disasters in terms of expense and cost, today they are understood as being sources of organizational endurance and upper hand in market competition. As a result of organizations looking at logistics and supply chain management strategically and critically, a paradigm shift has occurred. The outcome of this shift has resulted in companies that have removed all non-essential support departments from their organizational structure (Garry, 2007).

There is a contemporary trend of widespread acceptance of using the efficacy of a firm's supply chain policy as a measure of the firm's global success. Whereby, success is measured by the size of the firm's global market share. As a consequence, supply chain is seen as a strategic vector for enhancing corporate efficiency and performance, like improved productivity, optimal customer service management, and rising level of business growth and profitability. Nonetheless, to guarantee a superior supply chain management framework it is essential to build up an exhibition estimation framework that appropriately mirrors the genuine supply chain execution. From the supply chain perspective, performance measurement is also strategic and critical since most companies realize that performance is a key indicator for supply chain management, where all business operation and workflows need to be clearly demarked and administered (Pallant, 2005).

To reap the maximum gain from applying supply chain strategy practices with in an organizational context, understanding the internal and external stakeholders' insight towards efficient and effective supply chain management strategy is of paramount important. Thus, this study will try to quantitatively prove the theoretical, empirical and conceptual frameworks on the cause and effect relationships among supply chain strategies and organizational performance of the East Africa Bottling S.C.

Ethiopia has a fledgling food and beverage processing sector. A key player in this sector is the company that is responsible for bottling any and all Coca Cola products in the country. This corporation is the East Africa Bottling Share Company Share Company which is a company incorporated as a subsidiary of the Coca-Cola South Africa Bottling Company. Founded in 1959 by five Ethiopian nationals with a seed capital of 750,000 – not adjusted for inflation – it initially had only a single plant in the area that is known as Abinet. The company's products were widely accepted by the new market they were presented in and soon demand overtook supply. In order to address this

steep hike in demand, subsequent plants were erected in Dire Dawa (in 1965) and then again in Bahir Dar. This time the five Ethiopians were joined by one foreign national. The current partnership with the South African bottling company was entered into in May of 1999. This partnership was structured as a joint endeavor arrangement. As of 2001, Coca Cola SABCO has a controlling interest in EABSC after it had increased its share to 61% (EABSC, 2010).

The integration of the business practices brought into play by the much more experienced and better established CCS into the Ethiopian market resulted in a marked appreciation in EABSC's profit margin and soon the company started to enjoy a continuous and sustained growth. Growth in the company's market stake was also observed in the internal functions of the company, such that the internal corporate structure of the corporation has had a marked improvement in professionalism (EABSC, 2009).

In the coming years, EABSC intends to become the best bottler of Coca Cola products in the wider stage of the Continental level. At the same time, the corporation intends on improving its business practices to reflect the dictates of social justice principles which are currently in vogue. EABSC has a reason for incentivizing everybody engaged with the business by giving the right rewards, at an acceptable cost to the firm. The stock valuation of the company, in addition to the myriad factors stated therein as tributaries, stresses the ultimate value of the company to be based on trustworthiness, taking personal initiative, client esteem, cooperation, self-betterment, shared trust and regard, and responsibility (EABSC, 2010).

1.2Statement of the problem

There are numerous difficulties faced by any stakeholder in the food and refreshment handling industry, verbally a failure to contend effectively in the worldwide market. Such obstructions are especially obvious in organizations that hail from Ethiopia. Deficient working premises, insufficient connection with different sectors, absence of capital, inferior quality items hindering admittance to send out business sectors, extreme openness to data imbalances, insufficient specialized known how, high exchange and hierarchical costs issues that are hard to quantify quantitatively, absence of innovative work, poor administrative and actual foundations are a couple of the framework deserts that plague and smother the development of major parts in this market (Arekebe, 2015).

The importance of adopting supply chain strategy in any organization was further explained by Choy (2002), where in his research at multinational manufacturers, has concluded by saying supply chain strategies contribute 50% to the profitability and performance of any organization. Therefore,

organizations have to understand the concepts and the practices of supply chain strategy for the intention of achieving competitiveness as well as for increasing profits (Qayyum*et al*., 2013). Despite this fact, yet Ethiopian food processors are still lag behind in the implementation of supply chain strategies in their daily operation since there is poor understanding of supply chain management concept among the processors, thus hindering them from taping up the advantages supply chain concept can offer (Ruteri and Xu, 2009).

Since the major part of the Ethiopian economy is of an agrarian by nature, a significant part of the exploration delivered in the field of supply chain management has to do with the farming industries of the country. For instance, Arekebe (2015) has portrayed the prevailing farming marketing plans and SCM in Ethiopia, (Ethiopian Management Institute [EMI], 2007) has examined assessed fertilizer supply chain information flows in Ethiopia,, (Ethiopian Agricultural Transformation office [EATA], 2016) tended to analyze the supply chain examination of the vegetable sub-area in Ethiopia, Birhanu (2010) evaluated quality and value chain assessment of Ethiopian coffee . The center focal point of every one of these examinations is the intricacy that exists in the supply chain of agro commodity items that are unprocessed.

Yet limited researches have been made concerning supply chain strategy and organizational or industry performance in the Ethiopian food and beverage manufacturing companies from the view of cause and effect relationship. In order to enhance the performance of the sector, analytical and scientific studies need to be done to narrow the knowledge gap. Apart from this, the study is concerned and initiated towards the existence of the gap, specifically the narrow knowledge by industry leaders and managers towards supply chain strategy from point of raw material supply to point of production, and from finished item to consumer's chain, in an old transactional vale based interrelationship. In addition to this, to find out the effectiveness and efficiency of the existing Supply chain system and to know the existing problems and hindering factors in the product manufacturing and distribution processes.

As a result, this study is intended to be a springboard meant to be used by others concerned with the subject matter and its implications for the sector so they could see what needs to apply supply chain in order to improve the food and beverage production sector in Ethiopia. Apart from this, the paper will be aiming to contribute to the debate and bridge the research gap that exists on the subject 'effects and relationship between supply chain strategy and performance.'

1.3 Research Questions

By taking into account the nature of research design, methodology and statement of the problem, the study has articulated to answer the below stated research questions:

1. What is the extent of understanding for the supply chain strategy implementation of the organization?
2. What is the level of supply chain strategy implementation of the organization?
3. What is the effect of supply chain strategy on organizational performance of East Africa Bottling S.C?

1.4 Research Objectives

1.4.1 General objectives of the Study

The primary goal of the study is to investigate the effect of supply chain strategy on organizational performance of East Africa Bottling S.C through understanding the level of supply chain strategy implementation by the firm.

1.4.2 Specific objectives

The designed specific objectives are:

1. To investigate the understanding of supply chain strategy implementation by the organization.
2. To assess the level of practical implementation of supply chain strategy of the organization.
3. To examine the effect of supply chain strategy and organizational performance of East Africa Bottling S.C.

1.5 Significance of the Study

The study has established with some valuable information that determined the current situation of East Africa Bottling S.C in its overall understanding, practical implementation of supply chain strategy and its organizational performance. Therefore the study has the potential to influence different groups in the society such as regulating bodies, the government, business entities and academicians within the food and beverage industry.

It also provides an aid to the government of Ethiopia and policy makers towards their development process of improving the food and beverage industry in the country. The study has come up with an understanding and encouragement to the regulatory organs, policy makers to take some necessary actions to address the importance of implementing efficiently and effectively supply chain strategy in food and beverage processing firms, so as to improve their organizational performance and increase their competitive advantage in the global markets.

Findings from the study are expected to indicate the performance of organization depends on how well it implements supply chain strategy. The main reason to why companies struggle to accomplish in the business world is to maximize profits while minimizing operational costs and this cannot successfully be achieved unless their organizational performance is higher in terms of deliver dependability, cost saving, quality products and services, forecasting accuracy, flexibility, sales growth, market share growth, profit margin, return on investment, return on assets, just to mention the few.

Finally, the study's findings have provided a room to other researchers to use it as reference point to their future studies related to this subject matter. It will enable them to see the gap of what is unknown, what needs further research, elaboration and improvement. It also exerts value to the body of knowledge in bridging the gap between theories and practical implementations of supply chain strategy in food and beverage processing sector of Ethiopia, as the country strategy is focused on agricultural development leads to industrialization.

1.6 Scope Of The Study

The examination has been done on an example of the food and beverage production sector of Ethiopia, explicitly; the instance of East Africa Bottling S.C. Out of the three operational plants of the firm, Addis Ababa, Abinet branch is taken for the appraisal to assess the effect of supply chain management practices on organizational performance. What's more, further external limitation was place on the extent of the examination – as far as time, cost, and restricted information gathering opportunities because of the COVID pandemic, so the investigation has taken to evaluating only a couple of key parts of supply chain strategy as (Manufacturing, Outsourcing, Channeling, Asset Networking and Customer service strategies) and its effect on organizational performance.

1.7 Limitation of the Study

During the initial phase of the study, while endeavoring to gather information, there was a discernibly higher occurrence of potential respondents declining to accept paper questionnaires because of the dangers presented by the corona pandemic. While inconvenient, this was not out of the ordinary since the company belongs to the food and beverage products sector – which requires a more elevated level of hazard avoidance as its items are intended for direct human utilization. Thus, the researcher needed

to plan a work around arrangement by utilizing electronic questionnaires dispatched through email alongside a support letter from the school department of the study. Be that as it may, different conditions like the obligatory shifts of workers and occasional factory door shutting had made getting to the manufacturing plant and gathering the responses of a portion of the respondents unmanageable. These factors brought about untimely reporting and a failure to keep deadlines. And access to the company audited financial statement, financial review, organizational plan and performance reports were confidential information since the company feared it could be spread to their competitors, and determining organizational performance dimensions were used using questionnaire feedback instead of time series data estimation.

1.8 Definition of Terms

The following are the key terms to be used in the study. They are defined and briefly described as follows and are intended to aid in understanding the study.

Supply chain management: Supply chain management has been defined differently by different bodies due to its multidisciplinary origin. Supply chain management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third party service providers, and customers. In essence, supply chain management integrates supply and demand management within and across companies (Croom, Romano, and Giannakis, 2000)

Supply chain: Christopher (1998) described supply chain as, "an arrangement of affiliations that are incorporated, through upstream and downstream linkages in the different methods and operational exercises that produce an impetus as things and organizations in the hand of a complete purchaser". What's more, it's likewise the material and instructive exchanges the determined strategy, reaching out from the securing of unrefined materials to transport of finished products to the end customer.

Supply Chain Strategy: In Li (2006), supply chain strategy has been characterized as a bunch of operational exercises actualized to advance an ideal administration framework for its supply chain. This investigation has utilized five key factors of supply chain strategic practices as manufacturing outsourcing, channeling, customer service management, and asset to manufacturing networking.

Organizational Performance: So far there is no a general and regular normalized definition that most scientists and researchers have acknowledged, however significant examinations have

characterized or conceptualized organizational performance as genuine results or objectives of a firm, as assessed against foreordained objectives or goals in all groups of activity from human resources to asset mobilization, from deals to showcasing, from inventory network to by and large seriousness (Richard et al. 2007).

1.9 Organization of the Research

To have a well-rounded, well managed research paper and observe the standards of the university, the body of this research paper is separated into five sections. The first chapter manages foundation of the investigation and the association, explanation of the issue, fundamental exploration inquiries with objective/s of the examination, key meaning of terms, criticalness, extension and impediment/s of the examination. And afterward chapter two spotlights on social occasion a corpus of hypothetical and experimental writing as premise to the investigation and the reasonable edge work adjusted by the examination. In the third section, the researcher has attempted to manage the design, sources, procedures and data collection methods applied while carrying out the research. Also, the last two chapters manage summarization, interpretation of analysis discussing the findings for future investigations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This part of the research centers around introducing various rules of writing, journals, earlier examinations, books and article surveys that are explicitly related with ideas or hypotheses of supply chain management strategy and corporate performance. What's more, the audit of the related literature is isolated in into three pivotal parts where hypothetical and exact written works' concerned with the examination subject and from these two a conceptual framework is created, by the researcher, inside this section.

2.1. Theoretical Review

This part of the examination plans to present the connected speculations that the investigation is put together upon and worked with respect to. A hypothetical part centered around introducing the various speculations and ideas that were introduced by recognized creators comparable to SCM technique, execution and corporate performance. SCM had been connected with hypotheses taken from various fields' investigations, for example, accounting, management, economics, sociology and engineering. By and large, these hypotheses that are by and by getting investigated in SCM writing have existed for quite a while, so they are really more established than the SCM idea itself (Pala, 2013). In this way, the investigation received seven (7) premises of common theories for the examination on the effect of supply chain strategy on organizational performance. These speculations are: the resource-based view, knowledge-based view, institutional theory, resource dependent theory, customer service theory, supply chain strategy and organizational performance with detailed arguments and justifications proving why these theories are aligned with the study.

2.1.1 Resource-Based View Theory

The resource-based view of the firm has emerged in recent years as a popular theory of competitive advantage (Ray *et al*., 2004; Raduan*et al*., 2009). This has been witnessed in the past 20 years, where it showed the dimension of performance and/or organizational competitiveness has been analyzed under the angle of the resource based view (Ibrahim and Hamid, 2014). The resource-based view is a theoretical perspective that attempts to describe, explain, and predict, how firms can achieve a sustainable competitive advantage through acquisition and control over resources (Arifin and Baihaqi, 2012). In order to provide competitive advantage a resource must fulfill four criteria:

- Valuable: must have strategic value to the Organization,
- Rare (uniqueness): must be unique or rare to find amongst the current and potential competitors,
- Imperfect immutability (inimitable): must not be possible to perfectly imitate or copy the resource,
- Non-substitutability: competitors cannot substitute the resource by another alternative resource to achieve the same results (Liou*et al*., 2009).

Organization resources can be easily categories into three building block, that is, physical assets (example: technological equipment, plant), human assets (example: deployment, competency and skill recourses), and organizational assets (example: culture, business process, and management resources) (Shamsuddin*et al*., 2013). The resources are also categorized as tangible or intangible (Curado, 2006). Furthermore, the resource-based view theory is used to examine the impact of organization resources and capabilities on competitive advantage that leads to overall organizational performance. Based on Ray *et al*.'s (2004) study, the resources and capabilities that are not conditioned into sustaining activities and business processes will not have positive impact on an organizational performance (Yap and Tan, 2012). Also the theory is applied to explain differences in performance within an industry. The resource-based view of the firm states that differences in performance happen when well succeeded organizations possess valuable resources that others do not have, allowing them to obtain a rent in its quasi-monopolist form (Curado, 2006).

In the context of supply chain strategy in the real environment, resource-based view can be used to understand the link between supply chain strategy and competitive advantage, that is how the application become one of organization resources and contribute to supply chain management excellence performance (Shamsuddin*et al*., 2013).

2.1.2 Knowledge-Based view

It has largely been accepted from different researchers in the literature to support the fact that the knowledge-based view of the firm to be an extension of RBV of the firm. They argued that the knowledge-based view is an outgrowth of resource-based thinking where the concept of resources is extended to include intangible assets and, specifically, knowledge-based resources (Grant, 1996; Decarolis and Deeds, 1999; Bosch- Bosch-Sijtsema and Postmab, 2004; Curado, 2006; Ketchen Jr.

and Hult, 2007; Harms, 2011; Blome*et al*., 2013).

The knowledge-based view of firm suggests firms should be analyzed based on their knowledge resources (Blome*et al*., 2013) because it considers knowledge to be the most important strategic resource (Grant, 1996; Curado, 2006). In the knowledge-based view, the role of the firm and its source of unique advantage, rest in its ability to integrate the knowledge of individuals in the production process of goods and services (Grant, 1996). Grand (1997) who made significant contributions to the development of knowledge-based view, describes the contribution of several authors from various dimensions to the development of this view. These dimensions are:

- Organizational learning- learning processes create new knowledge and form the basis of the growth of organizations through the recombination of existing resources. This perspective view organizations as multiple communities-of practice. Each community-of-practice is engaging in experimental and interpretative activities with the environment from which sense making emerges, leading to adaptive behavior. Organizations thus evolve based on the competing perspectives of different communities-of-practice (Eisenhardt and Santos, 2001).
- Organizational capabilities and competencies- knowledge-based capabilities are considered to be the most strategically important ones to create and sustain competitive advantage. Superior talent is recognized to be the main creator of sustained competitive advantage in high performance firms. (Curado, 2006).
- Innovation and new product development- a firm is able to innovate new products and processes, or improve existing ones more efficiently and or effectively through the application of competitive knowledge and skills to the production of goods and services (Bosch-Sijtsema and Postmab, 2004).

In recent years the knowledge-based view of firms has received an increasingly attention, intangible assets (especially knowledge) in the global economy are highly valued (knowledge is the King) since they recognize the aspects of fundamental economic changes as result they form the basis for creation and sustainability of competitive advantage in the firm. Example the change from manufacture to services in the majority of developed economies is based on the manipulation of information and symbols and not on the use of physical products (Bosch-Sijtsema and Postmab, 2004; Curado, 2006).

2.1.3 Institutional Theory

The institutional theory is utilized to inspect how outside pressing factors impact an organization. As indicated by the institutional theory, outside pressing factors assume an indispensable part in forming hierarchical systems related with supply chain management. For example, systems related with corporate decisions, for example, the decision concerning innovation reception and supply chain cooperation are genuine models. Inside the institutional theory, there are three types of isomorphic drivers, an organization will in general be initiated by, to embrace certain practices, specifically; coercive, regulating and mimetic. Coercive isomorphic drivers occur because of pressing factor applied by individuals with critical impact. Government and state offices are a genuine illustration of powerful establishments that may coercively impact the activities of an association through fines and exchange hindrances as well as amount. Regularizing (managing) isomorphic drivers influence dares to change in order to be viewed as having true progressive activities. Mimetic isomorphic drivers happen when attempts duplicate the exercises of powerful opponents in the business, attempting to copy the method of their success (Lavassani and Movahedi, 2010).

2.1.4 Resource Dependent Theory

The asymmetric theory fixates on how a few firms become dependent on the later [their suppliers] for required operational resources of info, for example, products and crude materials, and how firms can oversee such connections. The presumption focuses on how a couple of firms become subject to others for required information sources, for example, product of merchandise and crude materials, and how associations can regulate such institutional associations. As production network people coordinate eagerly, they consistently become more subject to each other, thusly making associations, organizations and investment. Consequently, it has a critical degree of worth in the supply chain setting. The doubt towards this goal are incorporate; duty to association for normal focal points, making conditions great to be depended upon by your accessories to make a position of fortitude and trust in the affiliation deal. Henceforth, from the perspective of the best stock chains, conditions should be used to make basic restraint and trust, not to drive intense abuse of one chain part by another (Pfeffer and Salancik, 1978).

2.1.5 Customer Service Theory

The theoretical concept of customer service depends on recognizing and fulfilling your clients' requirements and surpassing their assumptions for a product or administration requested. An

association should be completely dedicated to conveying reliably high standards of service to acquire and hold client loyalty over a more drawn out timeframe. All staff individuals from top administration on down should be fixed on what the client needs constantly. Planning a customer service culture inside an association can help construct a solid presentation and effective endeavor. Consumer loyalty and dependability are emphatically or inseparably connected with the nature of client assistance and, eventually, to the organization's productivity or better execution (Mbuthia and Rotich).

2.1.6 Supply Chain Management Strategy

Supply chain management strategy is a subset of various administration apparatuses like global exchange, fabricating, sourcing and reevaluating, seaward administration, green logistics, invert logistics, arrangement on buying, transportation, warehousing, and stock administration and after deals of merchandise or return of products. For the most part, supply chain management facilitates the supply and demand model management inside and past an enterprise (Charles et.al, 2014).

2.1.7 Organizational Performance

Organizational performance suggests how well an organization accomplishes its market situated focuses just as its monetary objectives (Li et al., 2006). All procedures intended for organizational execution, including supply chain management, ought to eventually prompt improved corporate performance. Various distinctive earlier investigations have attempted to estimate corporate performance by utilizing both monetary and non-monetary models. Such standards remember pace of return on investment, pace of appreciation of profit margin on sales of product or service, net revenue on sale of goods or service, the expansion of deals, and generally speaking serious situation of the organization seen from various vantage focuses (Arawati et al. Beam 2006; and Birhanu et al.). From the inscribed writings, it is obviously justifiable that other firmly related key constructs are embraced to assess organizational execution in the examination.

2.2 Empirical Review

This segment of the literature review develops its fortitude on the experimental discoveries that have been introduced by various writers following a progression of tests identified with the appropriation of hypotheses that were tried in the functional universe of the supply chain strategies implementation. In any case, earlier exploration work done by others dives into and carries out a profound,

multifaceted assessment of the connection between supply chain strategies and cumulative organizational performance. A portion of the discoveries of said researchers are examined as follows:

Asha (2017) directed an examination "The Influence of Supply Chain Management Practices on Corporate execution in a food processing firm in Dares Salaam, Tanzania". The exploration has considered various factors of supply chain management strategy, for example, essential provider organization, client relationship, and moving to confirm the circumstances and logical results connections between these factors of supply chain management strategy rehearses and the food preparing firms' generally speaking corporate performance in Tanzania. The examination has gathered crude information from in excess of 50 food and refreshment fabricating firms by utilizing purposive and irregularly inspecting strategies to scatter surveys, and the circumstances and logical results relationship was discovered utilizing measurable inferential devices. Where factual assessments demonstrated that a superior degree of supply chain management strategy application in the organizations will bring about verifiably improved overall competitiveness coming about in a superior sector wise execution.

From exploratory examination done by (Omain et al., 2010) in light of past examinations, it is contended that the execution set of supply chain management practices differ contingent upon the nation and the sort of association/s included. This implies various associations and nations have an alternate arrangement of practices in executing supply chain management. This is because of the presence of various administrative impression of how store network parts are identified with one another and to the association, various styles of management, and distinctive world views because of social contrasts. Consequently, there is no set of supply chain practices suitable reasonable for all areas.

All things considered, an investigation done by Arun and kumar (2014) legitimately shows there being more likenesses in supply chain management practices between any two nations than contrasts. The principal contrasts were just concerned with the utilization of outsider logistics supplier, the apparent advantages of sharing of resources between supply chain members, the utilization of merchant oversaw stock, and the significance of moral practices among supply chain members. Similitudes were discovered when taking a gander at the performance measures that are really utilized by the respondents. Since the frequently promoted advantages of supply chain management are better client assistance and good or service quality, the main components as far as adding to store network achievement were evident and indeed, ended up being fundamentally the same as the others.

Katunzi and Zheng (2010) looked at the distinctions in impression of supply chain management practices' selection in limited scope endeavors against huge ventures. A cross-sectional overview was utilized to gather information from Ethiopian ventures occupied with agricultural processing. The outcomes strikingly present that limited scale endeavors are not giving satisfactory accentuation for SCM practices, and are additionally hesitant to utilize a straightforward coordinated framework to connect them with different players in the chain contrasted and greater undertakings who put more accentuation in actualizing SCM practices regarding teaming up with clients and providers in the chain, computerization and normalization of arranging and control frameworks, and sharing of explicit sorts of data with different players in the inventory network. Global organizations which were in the classification of huge scope producers had an away from of the idea. The primary shortcoming of this examination is, it utilized subjective information which depended on researchers' understanding and not founded on probabilistic insights which would have yielded best outcomes (genuine image) of the current circumstance liberated from analysts' predisposition.

Consequently, this examination had expected to and has overcome any issues given up by some past investigations; it included assortment of quantitative information proposed for measurable examination. Besides the investigation incorporates experiences into how supply chain strategy influences generally performance of an organization.

2.2.1 Supply chain management overview

The origin of SCM concept: The term supply chain management (SCM) is relatively a new concept in the business world, (Tan *et al.*, 1999; Ardianto *et al*., 2013; Mensah *et al*., 2014) that has received an increasing attention from many academicians, consultants, and business managers from different field (Li *et al*., 2006; Bahri - Ammari, 2013; Perry II, 2012). Thus the concept of SCM has been considered from different perspectives, such as purchasing and supply management, logistics and transportation, operations management, marketing, organizational theory, management information systems (Croom *et al*., 2000). It has been described in many terms such as; integration of suppliers, partnerships, major supply management, supplier alliances, balance supply chain, lane network, supplier of pipeline management, management value chain, value stream management and as a demand chain (Ardianto *et al*., 2013). It first appeared in logistics literature in 1982 as an inventory management approach with an emphasis on the supply of raw materials. By 1990, academics first described SCM from a theoretical standpoint to clarify how it differed from more traditional approaches to managing the flow of materials and the associated flow of information (Mensah *et al.*,

2014). The concept of SCM has been advanced mainly from two bodies of knowledge: (1) purchasing and supply management and (2) transportation and logistics management. According to purchasing and supply management perspective, SCM is synonymous with rationalization of supply base and integration of suppliers into product development and manufacturing activities. While according to transportation and logistics management perspective, the focus of SCM is on reduction of inventories both within and across the organizations in the supply chain and improvement of service level. Eventually, these two perspectives evolved into an integrated SCM that integrates all the activities along the whole supply chain (Kushwaha and Bnarman, 2008; Li *et al.*, 2006).

The basic objective of SCM : The basic objective of supply chain management is to optimize performance of the chain to add as much value as possible for the least cost possible. In other words, it aims to link all the supply chain agents to jointly cooperate within the firm as a way to maximize productivity in the supply chain and deliver the most benefits to all related parties (Finch 2006). In addition Mentzer (2001) has point out the significant importance of SCM as the systematic, strategic coordination of the traditional business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long term performance of the individual companies and the supply chain as a whole. Others authors have suggested primary objective of SCM is to integrate and manage the sourcing, flow, and control of materials using a total systems perspective across multiple functions and multiple tiers of suppliers. Furthermore, basic objective of SCM is to synchronize the customers' requirements with materials flow to strike a balance among conflicting goals of maximum customer service, minimum inventory management, and low unit costs (Habib, 2011). According to *Li et al.* (2006) categorized the objectives of SCM into two groups; short-term and long-term objectives. Whereas 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.

The scope of SCM: The scope of SCM is functional and organizational. The functional scope of SCM refers to which traditional business functions are included or excluded in the implementation and the process of SCM. The organizational scope of SCM concerns what kinds of inter-firm relationships are relevant to the participating firms in the implementation and the process of SCM (Mentzer, *et al.*, 2001).

Functional scope of SCM: Functional scope of SCM from today perceptive encompassed all

"traditional intra business functions" (Mentzer, *et al.*, 2001). These functions will in turn influence other functions in the company. Due to its multidisciplinary origin, functions of SCM have expanded more and more over time. Studying articles published from the 1980s until now have shown this development clearly. Therefore, different researchers from the literature have come up with different functions over time. Example: Houlihan (1985), found a need for a new approach within the area of materials management in order to avoid a sub-optimal utilization of assets. Jones and Riley (1985) claimed that "supply chain management deals with the total flow of materials from suppliers through end users" (Jones and Riley, 1985, p. 19). Stevens (1989) extended SCM to contain the information flow connected to the physical materials flow. Lee and Billington (1992) mentioned for the first time research and development in an inventory context and argued that it could reduce inventory and distribution costs.

2.2.2 Supply chain strategies

From exploratory research done by Omain*et al.* (2010) based on previous studies argued that the implementation set of SCM strategies differ depending on the country and type of organization involve. This means different organizations and countries have a different set of strategies in implementing SCM this is due to the fact different managerial perceptions of how supply chain components are related to each other and to the organization example different style of management, different world views from different country and cultural differences. Therefore, there is no clear set of supply chain strategies suitable for all industries or countries.

However, study done by Spens and Wisner (2009) justified being more similarities in SCM strategies implementation between two countries than differences. The main differences was only concern in the use of third party logistics, the perceived sharing of benefits between supply chain members, and the importance of ethical practices among supply chain members. Similarities were found when looking at the performance measures that are actually used by the respondents. Since the often touted benefits of SCM are better customer service and product or service quality, the most important elements in terms of contributing to supply chain success were obvious and in fact, turned out to be very similar. Furthermore, different studies from different countries have used similar dimensions when measuring SCM strategies implementation example: Basnet *et al*., 2000 (New Zealand); Li, *et al.*, 2006 (USA); Kushwaha and Barman, 2008 (India); Choon Ho 2011 (Malaysia); Adebayo, 2012 (Nigeria); Ardianto *et al*., 2013 (Indonesia); Qayyum *et al*., 2013 (Pakistan); Woldemichael, 2012 (Ethiopia); Mwale, 2014 (Kenya); Mensah *et al.*, 2014 (Ghana); Karimi and Rafiee, 2014 (Iran) just

to mention the few, all these studies have indicated to use similar dimensions of SCM strategies to their respective countries such as strategic supplier relationship, information sharing, outsourcing, customer relationship, lean practices and so on, they indicated positive results to support such practices to be applicable in their respective countries regardless of difference of culture, style of management, geographical background, ideology, type of industry from one country to another or from one continent to another. The following is the list of some common dimensions of SCM practices found in the literature:

2.2.3 Organizational Performance

Organizational performance is the ultimate dependent variable of interest for researchers concerned with just about any area of management. This broad construct is essential in allowing researchers and managers to evaluate firms over time and compare them to rivals (Richard *et al.,* 2009), that is, organizational performance is an indicator that measures how well an organization is achieving its goals (Ho, 2008).

Measuring organizational performance is inherently difficult process (Dess and Robinson, 1984; Venkatraman and Ramanujam, 1986) since there is no singled consensus definition as well as how it should be measured (Perry II, 2012). A number of prior studies had measured organizational performance using different dimensions.

However, for over a long period of time financial metrics have served as a tool for comparing organizations and evaluating an organization's behavior (Holmberg, 2000; Li *et al*., 2006; Karimi and Rafiee, 2014). Several studies have pointed out different dimensions of measuring organizational performance, whereby majority of these studies have utilized financial and market indicators as main measures of organizational performance (Li *et al*., 2006; Arifin and Baihaqi, 2012; Perry II, 2012; Bahri - Ammari, 2013; Hussain *et al*., 2014; Arun and Kumar, 2014) such as, market share, return on investment, the growth of market share, the growth of sales, growth in return on investment, profit margin on sales and overall competitive position of the organization (Li *et al*., 2006).

2.3.4 Supply Chain Strategies and Organizational performance

The effect of supply chain strategies not only result on overall organizational performance, but also competitive advantage of an organization (Mwale, 2014). This means, supply chain strategies can act

as the means for creating and sustaining a competitive advantage and enhancing organizational performance for the firm and for the entire supply chain (Perry II, 2012). This statement was empirically justified by Li *et al*., (2006), BahriAmmari (2013), Karimi and Rafiee (2014), Mbuthia and Rotich (2014). Regarding supply chain strategies in relation with organization performance a number of prior studies were conducted to determine such relationship (Li *et al*., 2006; Agus, 2011; Choon Ho, 2011; Deshpande, 2012; Valmohammadi, 2013; Qayyum *et al*., 2013; Ganesh Kumar and Nambirajan, 2013; Annan *et al*., 2013; Karimi and Rafiee, 2014; Mutuerandu, 2014; Arun and Kumar, 2014; Hussain *et al.*, 2014; Mensah *et al*., 2014; Kumar and Nambirajan, 2014). Major findings found from these studies justified presence of positive relationship between SCM practices and Organizational performance therefore the higher levels of SCM practice implementation can lead to higher levels of organizational performance and vice versa is true.

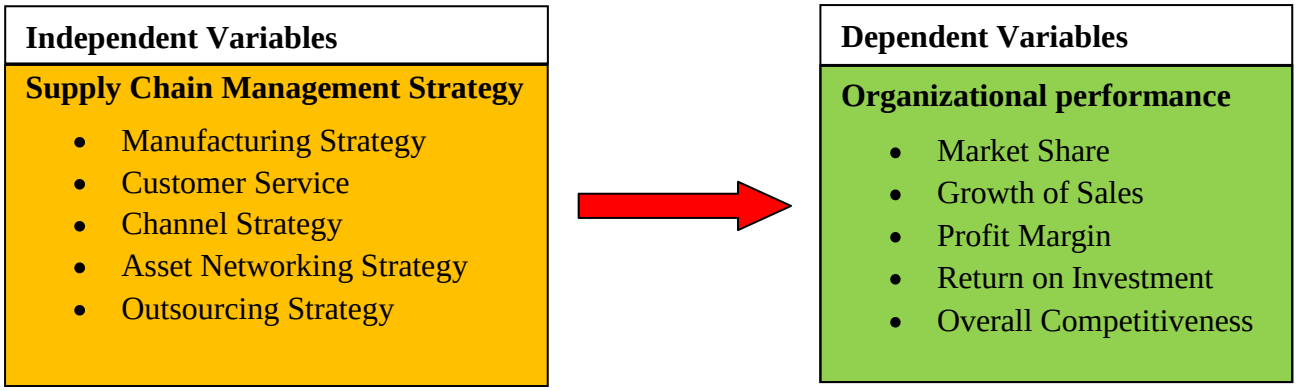
Furthermore, Mensah *et al*. (2014) have justified effective application of the principles of supply chain strategies as asserted by Li *et al*. (2006) as instrumental in ensuring sustainable business performance of ChoCho Company Limited in Ghana. Karimi and Rafiee (2014) provided an empirical justification for a framework that identifies four key dimensions of supply chain strategies (Strategic supplier and partnership, customer relationship, level and Quality of information sharing) and their direct impact on organizational performance (market and financial performance, profit margin, and sales volume). In addition, these studies had empirically indicated some dimensions of supply chain strategies have large impact on overall organizational performance than other. Example, Choon Ho (2011) study's results have shown that supply chain strategies of information sharing, quality of information sharing and lean practices had strong relationship with organizational financial and non-financial performance. Adebayo (2012) found the impact of postponement is at relatively low significance in Nigerian manufacturing industry. Li *et al*. (2006) four dimensions of supply chain strategies (strategic supplier partnership, customer relationship, level of information sharing and quality of information sharing) have acted as strong indicators unlike postponement which had low impact. Perry II (2012) on his study had shown customer relationship management, order fulfillment, and return management process had positive implications on a firm's competitive position and performance.

2.3 Conceptual Framework or Model of the Research

Considering the different elements of supply chain management strategies and estimation of corporate performance proposed by a few researchers, the investigation has adjusted an exploration

calculated system that enveloped five key components of supply chain strategies: production, outsourcing, channeling, client relationship and resource management and five corporate performance factors (market share development, net revenue, development of deals, rate of profitability and in general good and service competitiveness) performance estimations are adjusted.

Figure 2.1: Diagrammatic conceptual model employed by the research



Source: Researcher Construct (2020)

Based on theoretical and empirical findings from previous studies the researcher developed a number of dimensions in relation to the implementation of supply chain strategies. These dimensions were regarded as independent variables, discussed as follows:

Manufacturing strategy: is a tool or means of deciding, how to produce products or services. It consists key decision for production to stock, stock reserve and spot production combinations, manufacturing outsourcing to lower cost areas and others. Changing the manufacturing strategy can be a key source of competitive advantage. Sometimes, it can also be an advantage to choose different manufacturing strategies for different products of different markets. The key drivers of manufacturing strategy are product life cycle, demand changes, and the number of product variants (Klemencic, 2006)

Customer service strategy: It **is** the key element in today SCM practices implementation in any organization (Ho, 2011; Mbuthia and Rotich, 2014; Hussain *et al*., 2014). This is because the world today is in the era of massive growth of mass customization and personalized service which had forced organizations to maintain good relationship with customers for the sake of their survival (Jie *et al*., 2007). Close customer relationship allows an organization to differentiate its products from the

competitors, and sustain customer loyalty (Bratić, 2011).

Channel strategy: Defines how products or service will be delivered to buyers of end users. It needs to answer questions such as: will the product be sold via distributors? Which market and market segments will be served, which channel for strategic partners to keep? The decisions regarding company's assets and cost performance must be part of the channel strategy, including pricing, promotions, financing and other term and conditions. Anderson (1999) suggests the set of strategies that deal more with tighter collaboration with the channel, the customer, and/or the end consumer:

- **Consumer customizer**: Uses mass customization to build and maintain close relationships with end consumers through direct sales.
- **Trade focused**: Like logistics optimization, this strategy put a priority on "low price, best- value" for the consumer, but it focuses less on brand than on dedicated service to trade customers.
- **Logistics optimizer**: Emphasizes a balance of supply chain efficiency and effectiveness.

Asset Network Strategy: The chain networked factories, warehouse, production equipment, order desks, and service centers are the key indicators for good asset network supply chain strategy. Location, size, and mission of these assets have a major impact on performance (Klemencic, 2006).

Outsourcing strategy: It is a means of sub-hiring of activities, services or product parts that are not the core business of the company, usually aiming cost reduction, quality improvement, delivery lead time reduction and increase on the productive flexibility (Narasimhan and Jayaram, 1998). Many firms in our contemporary business have been revising their priorities and focusing their resources on a limited number of selected activities and processes to gain more competitive advantages. The outcome of this trend is that firms increasingly outsource some selected activities and processes (Sink and Langley, 1997). As competition becomes more intense, many firms are considering the option of logistics outsourcing in order to streamline their value chains (Franceschini *et al*., 2003). Boyson et al. (1999) noted that outsourcing relationships historically are based on routine functions, such as warehousing operations and freight payment, whereas today they are based on logistics activities that require more strategic knowledge and expertise, such as information systems, inventory management and customer order fulfillment (Koh *et al*., 2007).

The study main dependent variable is organizational performance of East African Bottling S.C , where a total of five indicating key variables or measures were used to measure organizational performance. And they are briefly described as follows:

Market share growth: A competitive supply chain in the market might be characterized by efficient use of chain resources which would lead to lower product cost, better product quality, faster response and therefore eventually higher market share (Koh *et al*., 2007).

Sales growth: This is the change in sales over the period, expressed as the difference between sales last period and those this period as a percentage of the sales last period (Richard *et al.,* 2009). Through practice of supply chain benchmarking, emerging as a leader in the industry would provide a firm with the opportunity of increased sales. If an industry leader position is still far reaching, benchmarking the supply chain performance against the best practice in the industry would provide incentives for further improvement that will eventually lead to increased sales (Koh *et al.*, 2007).

Profit margin: Profit margin is the ratio of net operating profit to sales (Richard *et al.,* 2009). It refers as a measure of profitability since it measures how much out of every dollar of sales a company actually keeps in earnings. Implementation of SCM practices such as customer relationship, information sharing improve organizational profit margin because it allow organizations to access valuable information which will enable them to differentiate its products from the competitors, and hence sustain customer loyalty.

Return on investment : Its is usually defined as the ratio of net operating profit to the net book value of assets. The net book value of assets is equal to the firm's assets less the value of intangibles and total liabilities (Richard et al., 2009). Return on investment (ROI) is one of the most popular performance measurement and evaluation metrics used in business analysis (Andru and Botchkarev, 2011).

Return on assets : This is a very popular measure of performance. It is defined as the ratio of net operating profit to the firm's assets recorded on its balance sheet (Richard *et al.*,2009). ROA is fundamental gauge of efficiency, measuring how well your business is using its assets to generate profit. Supply chain management, meanwhile, is all about improving efficiency, gaining a competitive advantage by streamlining the way you get products into your company and then out to your customers. Improving supply chain management boosts ROA through its effect on both profit

and assets (Merritt, 2015). Lean practices like just-in-time boost profits (reduces operating costs) by eliminating excess inventory.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is the way towards discovering answers to research questions (Woldemichael, 2012). In this part, the examination has given brief clarifications on how the investigation is led and it includes; the study design, area of the study, sample size, sampling techniques, information assortment techniques, information examination, data reliability, reliability and moral issues.

3.2 Research Approach and Design

3.2.1 Research Approach

The examination has applied the quantitative research approach which incorporates gathering information to gauge and measure the effect of SC strategy on EABSC organizational performance, via completing factual investigation to help or discredit alternate knowledge claims. Apart from this, a descriptive survey was applied due to the nature of the study prerequisite for an accurate arrangement of the characteristics of the variable without an involvement.

Quantitative examination is a philosophy for testing objective hypothesis or theories by taking a gander at the relationship among elements or key factors. These components, in this manner, can be assessed, regularly utilizing instruments, so that numbered data or information can be investigated by utilizing statistical procedure (Cresswel, 2012).

3.2.2 Research Design

The research design utilized is a descriptive survey. Such a plan has been utilized because of the nature of the study which requires a precise depiction of the qualities with no mediation. This plan is a method in quantitative research where an investigation oversees an overview to a sample or to the whole populace to mathematically portray the attitudes, feelings, and attributes of the populace (Cresswel, 2012). In this procedure, information is gathered utilizing surveys or interviews and genuinely dissected to discover patterns in the reactions to questions and to test research questions and afterward the importance of the information will be introduced as deciphered.

3.3 Population and Sampling

3.3.1 Target Population

The target populace is a predefined group of people, things or articles, to which study discoveries are to be, summed up (Schutt, 2011). The study target populations are selected staff members of Abinet branch employees or the head office as a unit of analysis using a stratified sampling technique to select 156 employees. What is more accepted is that these objective populaces have duties straightforwardly identifying with the operational activities of the company's supply chain strategies and organizational performance decision making.

3.3.2 Sampling Design

Probability sampling method has been applied to come up with a well defined sampling design by implementing a stratified technique to cautiously extract the sample from the entire population. This is used due to large and heterogeneous total population size, resulted by the organizational structure of the case company selected. As a result, work sections wise different strata have been selected and samples have been selected with the respective unit of stratum based on the rate of proportion towards the total population size. Due to the study scope and the research question on knowledge gap for supply chain strategy, the data collection need to be focused on selected departments and level of positions that are expected to have a related knowledge, information, practical awareness, and skill with the subject matter.

3.3.3 Sample Size

A sample is characterized as a subset of a populace that is utilized to examine the populace overall (Schutt, 2011). Peers (1996) viewed test size as one of the four interrelated features of a study design that can impact the discovery of huge contrasts, connections or interactions. The decided sample size will not be either unreasonably enormous in number getting too unwieldy to even consider managing, nor little ruining all ensuing factual examination. It ought to be optimized. An ideal model is one which fulfills the requirements of viability, representativeness, unwavering quality and flexibility (Kothari, 2004).

Table 3.1: Respondents' Department in Coca Cola-SABCO, Abinet Branch

Departments	NO. OF STAFF
Ethiopia-CEO	1
Chief Operational Officer	1
Factory General Manager	1
Human Resource	12
Corporate Planning	9
IT and MIS	10
Research and Development	12
Finance and Cost	17
Manufacturing	28
Quality Control and Food Safety	11
Procurement and Warehousing	12
Sales and Marketing	22
Logistics and Supply Chain	20
Total	**156**

Source: (Field survey, 2020)

The total population of the study is 156 which will be classified in to six competencies: Administration (46), Finance and Cost (17), Sales and Marketing (22), Manufacturing (39), Procurement and warehousing (12) and Logistics and Supply chain management (20).The procedure used for selecting the samples is proportionate stratified sampling with simple random sampling. Stratified sampling is used because the study has to deal with the identification of some variables, which are directly related to the research question. The key variables are used to divide the sampling

frame into developed mutually exclusive strata.

A simplified formula has been utilized to figure sample sizes and representativeness of the sample. This equation was utilized to compute the sample sizes for the complete populace under table 3.1, where there is a supposition that a 95 percent certainty level and P estimation of 50%. Furthermore, a delegate of a sample is utilized for a separated irregular inspecting as number of items approaches the division between the number of items in the populace divided by the total populace size (Yemane, 1967, p.262).

Using a sample size calculator and based on a margin of error of 5% and a confidence level of 95%, 113 respondents were chosen among 156 critical workforces using the below analytical formula;

$$n = \frac{N}{1+N(e)^2} \sim \frac{156}{1+156(0.0025)} = 113$$

In order to keep up representativeness of the sample, the study utilized stratified random sampling technique utilizing the equation: $Y_{1\text{-}n}$= (X/N) * n where;

$Y_{1\sim n}$ = Number of East African Bottling S.C respondents included from each strata

X = Number of East African Bottling S.C respondents within a department

N = Total of 156 respondents inside East African Bottling S.C

n = Determined sample size for the examination

For example, test size from Administration office was picked utilizing the previously mentioned formula:

Y_1= (X/N) * n ~ (46/156)*113= 33

As needs be, 33 respondents from Administration, 12 from Finance, 16 from Marketing and Sales, 28 from Manufacturing, 9 from Procurement and Warehousing and 15 Logistics and Supply Chain respondents will be picked. The respondents from each stratum will be chosen utilizing simple random sampling technique and equivalent possibility was given to the individuals in the class.

3.4 Data Collection

3.4.1 Data Sources and Types

The study has utilized primary and secondary data assortment means to concoct a correct investigation with authentic ends and synopsis.

Primary Data: The study gathered essential information for the chosen work units of the organization using an individually administered questionnaire having a closed ended questions in a way that enable to receive feedbacks for quantitative analysis. Most empirical studies used five points' likert scales for measuring a cause and effect relationship between dependent and independent variables, as it is optimal way of measuring as respondents have a clean means to state their opinion from different perspectives. And the questionnaire is adopted from results of other studies (Saunders et al., 2009).

Secondary Data: The study utilized secondary data sources from books, posts, papers, sites, articles, journals, sites and past investigations concerning supply chain strategy have been taken as a stepping stone to understand the study, and data concerning with organizational performance key indicators are inaccessible due to confidentiality matters.

3.4.2 Data Collection Procedures

The investigation has used information assortment strategies as primary data sources by utilizing surveys and data analysis techniques dependent on the reaction of the respondents.

Questionnaire: The thesis utilized questionnaires for the quantitative investigation to acquire primary data. The surveys were planned as closed inquiries. The questionnaires had three major parts; in the provided sample, part one had presented some significant guidelines, objectives, and general instructions in order to ensure that ethical concerns were addressed. And part two is concerning with demographic data, where part three of section one and two are concerning the research question focusing on understanding supply chain strategy implementation and effect on organizational performance.

3.5 Methods of Data Analysis

Data analysis alludes to the assessment of specific steps, alongside the quest for relationship patterns

that exist between information groups (Harish, 2004). Two arrangements of statistics were utilized to assess the outcomes, in particular descriptive and inferential measurements by utilizing statistical software. Descriptive statistics were used to describe, present and summarize quantitative information in the form of measures of central tendency (mean was used to describe the central position) and measures of spread (standard deviation was used to describe the spread of score). Furthermore, tabulated description (that is, tables) and graphical description (that is, charts) were used to analyze preliminary data. Besides, organized portrayal (that is, tables) and graphical depiction (that is, charts) have been utilized to investigate the preliminary data. Inferential statistical techniques have likewise been utilized to test statistical variables to produce conclusions, whereby parametric tests, for example, the Pearson correlation test and multiple linear regressions are used to evaluate the effect of supply chain strategy on organizational performance the associations.

3.6 Scale Reliability and Validity

3.6.1 Assessing Reliability

The examination applied three methodologies of testing reliability to guarantee consistency of scores while assessing the phenomena in the field. The test-retest dependability gauges a phenomenon that doesn't adjust at two distinct points as expected; how much the two estimations are connected is the test-retest reliability of a measure. Where inside consistency of numerous things are utilized to quantify a solitary idea. The more grounded the relationship among singular things and the more things are incorporated the higher the reliability of the scale. What's more, inter-rater reliability is a test to be utilized when more than one onlooker rates similar individuals, occasions, or places. In the event that various onlookers are utilizing a similar instrument to gauge the phenomenon, their rating ought to be comparable.The higher the similitude of the outcomes, the higher the dependability of the scale. Also, the dependability values for all constructs are affirmed to be more than 0.7, which are viewed as ideal (Pallant, 2005).

Also, from the table indicated henceforth for test on unwavering quality of constructs, the information gathered from the dependent and independent variables are perceived to be predictable and solid for making further examination, since all the particular and general condensed qualities for Cronbach's Alpha test have brought about values more than 0.7.

Table 3.2: Data Reliability Test Results

Dependent and Independent Variables	Cronbach's Alpha Reliability Test
A) Five Key Variables of Supply Chain Management Strategies	
MS	.768
OS	.886
CS	.822
CSMS	.700
ANMS	.885
Total	.876
B) Organizational Performance	.908
Market share	.769
ROI	.755
GOS	.805
SPM	.776
OCP	.827
Total	.908
Over all Total	.925

Source: (Field Survey and SPSS Output, 2020)

3.6.2 Assessing Validity

The examination has embraced two methodologies of validity to guarantee validity of measurements. These are expressed and characterized as follows;

Criterion validity is set up when the outcomes are acquired from one measure is like outcomes got with more straightforward or effectively approved proportion of a similar phenomenon (Engel and Schutt, 2014). The study has utilized estimates which are approved by past investigations to quantify a similar phenomenon consequently expanding certainty on those measures by completely demonstrating that they had success in estimating what they were expected to gauge in the first place.

Construct validity is shown by demonstrating that a measure is identified with an assortment of different proportions of different ideas as determined in the hypothesis (Engel and Schutt, 2014). The investigation's factors are gotten from acknowledged hypotheses that were tried in past examinations and have appeared to hold in them inherent characteristics which further approve and proactively boost their further use as they bring about certain and normative results.

3.7 Ethical Considerations

The study needed to procure a support letter from Addis Ababa University, School of Commerce to continue with the information collection from the case organization EABSC. What's more, aside from this, the investigation has informed all respondents, in advance, that the motivation behind directing the examination is completely for scholastic reason. What's more, the respondents' entitlement to data protection and privacy has been regarded without bargain. No effort was spared in forestalling the exertion of all unnecessary weights on their everyday activity while obtaining the necessary information. Finally sample size determinations have been employed taking great care only to use standardized and well established statistical instruments for data collection with the intent of minimizing respondents' bias whenever subjects with in a stratum have had to deal with concepts related to their own departments.. The researcher has ensured all materials and or literatures referred herein are properly acknowledged, to avoid any possibility of plagiarism.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

In this part the investigation presented the principal discoveries from which the examination was made. The researcher examined the outcomes regarding research objectives and research questions from chapter one. The section was isolated into two significant sections; descriptive statistics analysis and inferential statistics analysis to completely comprehend impact of supply chain strategy on organizational performance of EABSC, by utilizing correlation and multiple regression analysis. Data analysis for both descriptive statistics and inferential statistics was made conceivable with the assistance of Statistical Package for Social Science (SPSS-20) software.

Questionnaire was created in five scales going from five to one; where 5 stands for as Strongly agree or significant increase, 4 stands for agree or increase, 3 stands Neutral or same as before , 2 for disagree or decrease, and 1 strongly decrease or disagree. And from a total population size of 156 respondents, 113 questionnaires with equal amount of sample size have been distributed, and 101 questionnaires were collected for the analysis.

4.2 Response Rate and Demographic Data

The scattered surveys were gathered in two stages though an aggregate of 113 polls were appropriated at one time. Also, 101 surveys were acquired under two stages with 77 and 24 by direct assortment of questionnaire and indirect email or telephonic methods, as the study focus area is a beverage production plant sensitive for corona virus infection and admittance to the premises was limited once the investigation began gathering the first phase data. And the study considered the time gap of respondents view collection between the first and the second stage were the effect on time gap is minimal. When this is expressed in rate, 89% of the respondents did appropriately reply, 12 out of an aggregate of 113 questionnaires, or 11% of respondents' reaction were not gathered as the respondents were working in shifts which made it hard to gather their reaction.

Demographic information has been attempted to be tended to both at individual and firm profile level. Individual profile section included parts such as level of training, position title or position and extent of involvement, while firm profile segment included part of number of concerned divisions chosen

for the investigation subject.

Educational competence, obligation position, years worked in the organization and divisions of the employees (respondents) in the hierarchical order are totally taken as characterizing constructs for the investigation of the respondent's profile according to the accompanying table.

Table 4.1: Demographic Outline for Respondents and Organization

Demographic Information		Count	Percentage %
Educational Competence	10+2 graduate	0	0.0
	Certificate	0	0.0
	Diploma	26	25.7
	Bachelor	54	53.5
	Graduate degree and above	21	20.8
	Total	**101**	**100.0**
Job Title	Chief Executive/COO /Factory Manager	3	3.0
	Director	11	10.9
	Manager	10	9.9
	Other	77	76.2
	Total	**101**	**100.0**
Years stayed in the Organization	Under 2 years	12	11.9
	2–5 years	22	21.8
	6–10 years	34	33.7
	Above 10 years	33	32.7
	Total	**101**	**100.0**
Department / Working Unit	Administration Work Unit (CEO-Ethiopia, Chief Operation Officer, Factory General Manager, Human Resource Management, Corporate Planning, IT and MIS, Research and Development)	36	43.5
	Finance and Cost	8	11.9
	Manufacturing	17	16.8
	Procurement and Warehousing	12	11.9
	Logistics and Supply Chain Management	16	15.9
	Sales and Marketing	12	11.9
	Total	**101**	**100.0**

Source: (Field Survey and SPSS Output, 2020)

Educational Competence: As can be seen in table 4.1, it tends to be handily perceived that the greater part of the respondents had a four year college education (53.5%) or 54 respondents in number, while (74.83%) or 75 respondents were in possession of a postgraduate education, for example, expert's. From the reaction of the respondents' examination, it tends to be said that the greater parts of the respondents know about and were discovered to be very much educated enough on the topic to give impartial reactions.

Duty Position: As demonstrated on the table, just 3 of the complete 101 respondents are at the top administrative level working at an obligation position of Chief executive officer, chief operation officer and factory manager. Where mid level obligation position represents 21 total respondents, this is around 20.8 percent from the gathered sample size. Furthermore, the rest 77 respondents can be considered at lower level chiefs and backing level assistants working in various branches of the organization. From these, it tends to be said that, practically all respondents have information with the topic of SCM strategies practices to produce legitimate data for the examination.

Years Stayed in the organization: As it very well may be seen from the table, many representatives' long periods of stay in the association are over five years, which are 67 respondents or 76.4 percent. This shows that business turn over in the association is low, and this uncovers that the data obtained from the respondents is predictable towards the usage of supply chain management strategy.

Departments/Work Units: Concerning the dissemination of respondents at the work unit thirty six of or 36.64 percent of respondents belongs to the administrative departments, eight of or 7.9 percent of the respondents are from finance and cost department, twelve of respondents are from sales and marketing department which account 11.9 percent, and the manufacturing department includes seventeen respondent which is 16.8 percent, twelve respondents belongs to procurement and warehousing department accounting 11.9 percent and the rest 15.9 percent of the respondents or sixteen respondents are staffs concerned with logistics and supply chain departments. From this it can be taken that almost all respondents are involved an operational activities related with the subject title of the study, and this will have on having a reliable and relevant feedback for data analysis.

4.3 Results and Discussion

This segment has introduced the degree of pragmatic usage of supply chain strategy in East Africa Bottling S.C and its particular corporate performance. The primary objective was to investigate and figure the rate, mean and standard deviation of study factors. Various inquiries were posed to the

respondents who gave their reactions on a size of 1-6 where 1 speaks to emphatically dissent, 2 - to Disagree, 3 - to Neutral, 4 - to Agree and 5 to Strongly Agree.

4.3.1 Means and Standard Deviations of Study Key Variables on understanding of supply chain strategy implementation.

This segment has introduced the understanding of supply chain strategy implementations by gathering and investigating the information gathered with survey, so that to distinguish which strategies are understood and applied presently for the performance of the organization. Respondents were approached to show their understanding to recognize which supply chain practices are at in the organization, whereby five supply chain strategies were recorded. As it appears in table 4.2, in light of the methods determined to every variable, Supply chain strategies are the idea that was all around distinguished by numerous respondents 'by and large' (4.34). Supply chain strategies such as manufacturing, reevaluating, channel and client care procedure lie somewhere in the range of 3.36 and 4.14 consequently were perceived to a 'moderate degree'. Subsequently, from these figures, obviously lion's share of the respondents comprehended and distinguished the strategies.

4.3.2 Response to evaluate the level of practical implementation of Supply Chain Strategy by the organization.

Table 4.2: Estimates for Mean and St. Deviation Values on level of practical implementation of Manufacturing Supply Chain Strategy.

Key Constructs of the Independent Variable Manufacturing –SCS	**Mean 3.63**	**Std. Deviation**	**N**
1.1 Our firm has examined how our organizational strategy influences the manufacturing process	4.28	.814	101
1.2 Our firm has a formal and constant process for manufacturing with just in time strategy	4.10	.854	101
1.3 Our firm cannot offer different degrees of manufacturing agility to different customers	3.08	1.146	101
1.4 Manufacturing operational flexibility necessities are dictated low cost strategy	3.48	.743	101
1.5 Our firm doesn't anticipate capacity growth development for what's to come concerning production volume	2.51	1.026	101
1.6 Our manufacturing capabilities are formally communicated with key customers	3.86	.679	101
1.7 Our firm has formal metrics focused on just in time order placement	4.11	.760	101

Source: (Field Survey and SPSS Output, 2020)

From the average mean value of 3.63, the manufacturing strategy is being implemented in a very goodly manner to achieve a reasonable growth on organizational performance.

Table 4.3: Estimates for Mean and St. Deviation Values on level of practical implementation of Outsourcing Supply Chain Strategy.

Key Constructs of the Independent Variable Outsourcing –SCS	Mean 4.14	Std. Deviation	N
2.1 Our firm outsources transportation services for all its distribution	4.28	.862	101
2.2 Our firm outsources logistics (this includes transportation, distribution and warehousing)	2.97	.479	101
2.3 Our firm outsources maintenance and repair services for the production plant	4.23	.847	101
2.4 Our firm outsources security and janitorial services for the entire plant	4.24	.850	101
2.5 Our firm outsources training and counseling services for staff development	4.41	.862	101
2.6 The outsourcing strategy of our firm is creating a pave for fixed cost reduction and to focus on core operational business lines to meet customer target fulfillment.	4.34	.852	101
2.7 Our firm has formal metrics focused on the outsourcing practice	4.51	.782	101

Source: (Field Survey and SPSS Output, 2020)

From the average mean value of 4.14, it can be presented outsourcing strategy of East Africa Bottling S.C is implemented in a very good manner towards achieving the target organizational performance.

Table 4.4: Estimates for Mean and St. Deviation Values on level of practical implementation of Outsourcing Supply Chain Strategy.

Five Key Constructs of the Independent Variable Channel-SCS	Mean 4.09	Std. Deviation	N
3.1 Our firm select different finished items distributors based a well defined and articulated channel strategy.	3.99	.640	101
3.2 The location, capacity and timely proximity of distributors are designed at a standard to meet the requirements of end customers and retailers or sub distributors.	4.07	.752	101
3.3 The selection criteria for a selected distributor is unbiased, free from nepotism, and with less claim from unselected distributors.	4.02	.663	101
3.4 Our firm has a well organized information management system between the distributing channels and the marketing and sales.	4.06	.759	101
3.5 The operational performance of distributors and retailers are as per the organization target for sales and growth.	4.11	.733	101
3.6 All selected distributors and wholesalers have a well organized warehousing facility that meet food supply chain standard.	4.04	.615	101
3.7 How effective is the sales performance of the corporation's distribution mechanism.	4.34	.667	101

Source: (Field Survey and SPSS Output, 2020)

From the table 4.4 it can be learnt that the seven different estimating questions have been raised to analyses the extent of channel strategy towards the organizational performance. And based on the average mean value of 4.09, channel strategy is implemented at a very good condition.

Table 4.5: Estimates for Mean and St. Deviation Values on level of practical implementation of Customer Service Supply Chain Strategy.

Five Key Constructs of the Independent Variable Customer Service-SCS	**Mean 3.06**	**Std. Deviation**	**N**
4.1 The company has a strong customer service and assistance management system in the entire work unit.	3.61	.800	101
4.2 Our client assistance delegates react to customer service and compliance issues with officially created reaction methods with in a cordial spirit of support	3.66	.697	101
4.3 The firm doesn't possess a good grasp on the synergy necessary to successfully react to a client's request for care.	1.95	1.211	101
4.4 The company has a sound consumer's problem mitigation system before and after consumers faces a problem.	3.65	.727	101
4.5 There is no systematic way to manage various food and beverage occasions to have the reaction of consumers.	4.02	.678	101
4.6 There is a continuous customer care evaluation mechanism to keep a sustainable consumer satisfaction.	2.51	.848	101
4.7 The firm has a well organized customer service management information system like ERP.	4.18	.699	101

Source: (Field Survey and SPSS Output, 2020)

The respondents' feedback concerning customer service strategy of the company proves that, though EABSC is well known for its serious advertising campaign, the mean value from table 4.5 presents customer service management strategy is not well implemented in a manner to enhance the organizational performance.

Table 4.6: Estimates for Mean and St. Deviation Values on level of practical implementation of Asset Network Supply Chain Strategy.

Five Key Constructs of the Independent Variable Asset Network-SCS	Mean 4.34	Std. Deviation	N
5.1 The firm's manufacturing plants based in: Addis Ababa, Bahirdar and Dire Dawa situated at strategic locations to maximize the firm's market-share.	4.28	.618	101
5.2 The location of our firm distribution point is designed in a way to be strategically accessible.	4.32	.615	101
5.3 The firm has solidly taken SCM as strategic tool to constantly develop by research and development.	4.29	.683	101
5.4 The investment design of our firm have assumed and applied SCM to be a basic operational sect.	4.32	.631	101
5.5 The company is using the latest state of the art production facility.	4.30	.686	101
5.6 The company has an ISO or related quality standardization certification for asset management and valuation.	4.42	.682	101
5.7 The company has an increasing return on asset from its investment.	4.47	.715	101

Source: (Field Survey and SPSS Output, 2020)

In this manner from the above table 4.6, it very well may be perceived that the vast majority of the respondents are having a mean value in the range of 3.5 and 4.5, which implies that an extraordinary number of respondents have a typical agreement that asset networking strategy is well good and properly implemented.

4.3.3 Response Analysis for Level of Organizational Performance.

Table 4.7: Estimates for Mean and St. Deviation Values on level of Organizational Performance

Corporate performance Measuring Variables	Mean	Std. Deviation	N
MS	4.98	.617	101
ROI	4.12	.682	101
GOS	4.29	.718	101
PMS	4.20	.685	101
OCP	4.36	.61	101

Source: (Field Survey and SPSS Output, 2020)

In view of the discoveries on Table 4.3 through the SPSS software, it can be comprehended that the five key pointers as well as factors for organizational performance show that a mean value above 3.5.

This shows that the general evaluation made by respondents for a tolerably decent organizational performance of East African Bottling S.C.

4.4 Inferential Statistics for effects of Supply Chain Strategy on Organizational performance.

4.4.1 Correlation Analysis

Correlation is a statistical measure that can show whether and how unequivocally pairs of at least two key powerful variables are identified with one another. The proportion of this property is a number called 'the coefficient of correlation'. Regularly identified with the letter "r", it can have judicious qualities that range among positive and negative unity (John, 2004). The estimation of r is straightforwardly relative to the relationship of the two factors, though an estimation of zero speaks to the nonappearance of any quantifiable connection what so ever.

In this part, to address the adjusted exploration objective and question, and test the impact of epistemological connection between organizational performance and supply chain strategy, the aforementioned process is employed. The degree of criticalness for the connection between two factors is communicated the estimation of p value and furthermore the outcomes from the degree of circumstances and logical results connection among factors and intensity of essentialness to change results.

4.4.1.1 Correlation Analysis effects of Supply Chain Strategy on Organizational Performance

Table 4.8: Results for Correlation Matrix between dependent and independent variables

		MS	OS	CS	CSMS	ANS	OP
MS	Pearson Correlation Value	1					
	2 Tailed Significance	.000					
	N	101					
OS	Pearson Correlation Value	.36	1				
	2 Tailed Significance	.000					
	N	101	101				
CS	Pearson Correlation Value	.454**	.738**	1			
	2 Tailed Significance	.000	.000				
	N	101	101	101			
CSMS	Pearson Correlation Value	.351**	.536**	.660**	1		
	2 Tailed Significance	.000	.000	.000	101		
	N	101	101	101			
ANS	Pearson Correlation Value	.364**	.570**	.691**	.583**	1	
	2 Tailed Significance	.000	.000	.000	.000		
	N	101	101	101	101	101	
OP	Pearson Correlation Value	**.520****	**.663****	**.706****	**.635****	**.775****	**1**
	2 Tailed Significance	.000	.000	.000	.000	.000	
	N	101	101	101	101	101	101

Source: (Research Data and SPSS Output, 2020)

From the above investigation consequence of relationship matrix one could effectively create reactions to the inquiries that the researcher at first set after investigating. A definite explanation, in quest for the recently depicted interrogatives goes as follows:

From table 4.4 above, the Pearson correlation coefficient of r equivalent to 0.520 and r equivalent to 0.289 shows there is a positive connection between's manufacturing strategy and organizational performance at a genuinely huge degree of 1% level p rises to 0.001 <0.01, which infer there is a genuine positive cause and effect relationship between the two dependent and independent variables.

Pearson correlation coefficient of r approaches 0.663 with statistically significant 1% level where p rises to 01, <0.01 uncovers the positive relationship that is clearly extant among outsourcing and organizational performance. Under table 4.4, the Pearson correlation test reflects that channel and performance have critical positive relationship at an estimation of r equals to 0.706 degree of essentialness at 1% p rises to 0.001, <0.01. From this, it tends to be normal to reason that there is good characteristic and positive connection between channel procedure autonomous factors and organizational performance as a dependent variable.

Finally the correlation test conducted to get the analysis for the cause and effect correlation for remaining two constructs shows a correlation coefficient value of r equals 0.635 and r equals 0.775 at 1% statistical significance with p value equals 001, < 0.01 proposing a significant cause and effect relation between the customer service, asset network management independent constructs and performance. From all the above correlation test results and previous researches like Ray (2004) have come up with a similar and aligned results, that key supply chain strategy variables have impact on organizational performance.

4.4.2 Regression Analysis

Before running a regression analysis for the data collected under this study, it is necessary to assess whether the collected data violate some key assumptions for linear regression models as any assumption violations can result in unclear and biased research results. To test multiple linear regression models, it should be noted that the three classic assumptions must be tested in undertaking the regression analysis. These assumptions include multicollinearity, normality and homoscedasticity. Therefore, in this section, the study tried to make sure that whether these assumptions are fulfilled so that to clearly show by how much the independent five key variables of supply chain strategy explains the dependent variable organizational performance.

4.4.2.1 Multicollinarity Test

Disparaging a regression model test a multicollinearity presence is central essential to check whether there a positive and powerful connection amongst any two and past key factors. What's more, a multicollinearity will bring about introducing trouble at whatever point it's applied under a multiple regression having or comprising at least two key factors. Where a Perfect colinearity exists at least one same direct connections among a portion of the other or remaining factors (Gupta, 2004).

The regression model of the examination and SPSS regression results on table 4.5 shows that capacity to bear all independent variables is more than 0.10 and Variance Inflation Factor (VIF) is material for independent variables whose value is not exactly the restricted value, 10.0. Therefore, it tends to be said that there is no multicollinearity between the independent variables and colinearity inside the information of the examination.

Table 4.9: Results for Multicollinearity Test on SCM Strategy

Model	Collinearity Statistics	
	Tolerance	VIF
(K=Constant Value)		
MS	.785	1.274
OS	.446	2.243
CS	.297	3.366
CSMS	.529	1.890
ANMS	.487	2.052

Source: (Field Survey and SPSS Output, 2020)

4.4.2.2 Normality Test

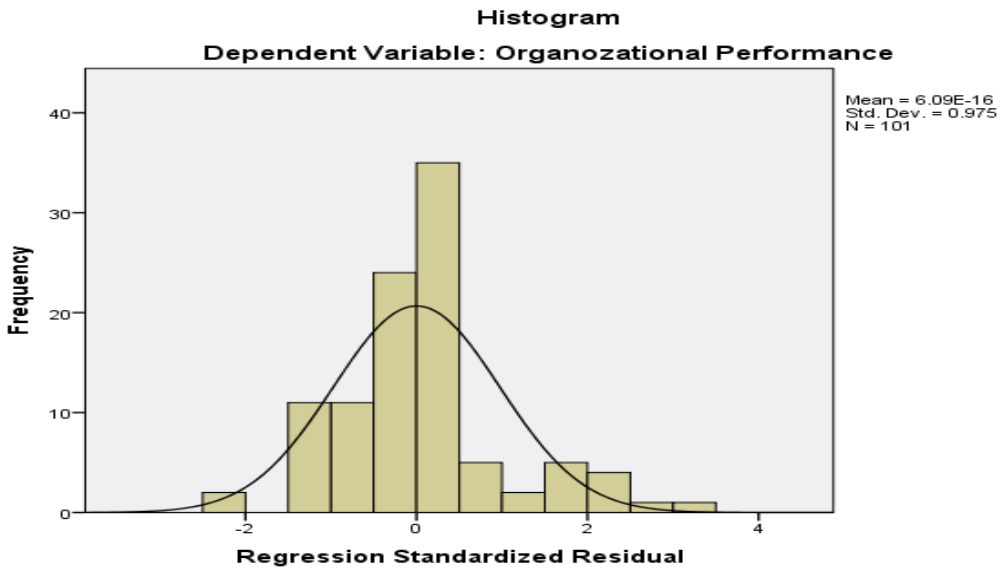
The data were checked to verify that the assumption of multivariate normality was met. Brooks (2008) noted that to conduct hypothesis test about the model parameter, the normality assumption must be fulfilled. The normality assumption is about the mean of the residuals is zero. According to

Gujarati **(**2004), in testing the normality assumption, one of the three tests of normality could be considered: (1) histogram of residuals; (2) normal probability plot (NPP), a graphical device; and (3) the Jarque–Beratest (it is an asymptotic, or large-sample, test).As indicated below, because of its simplicity, the first one simple graphical instrument or for testing the normality assumption was applied in this study.

4.4.2.2.1 Histogram of Residuals

A histogram of residuals is a simple graphic device that is used to learn something about the shape of the Probability Density Function of a random variable. On the horizontal axis, the values of the variable of interest (OLS residuals) are divided into suitable intervals, and in each class interval rectangles are erect equal in height to the number of observations (frequency) in that class interval. If the residuals are normally distributed around its mean of zero, the histogram is a bell-shaped. The shape of the histogram as shown below revealed that the residuals are normally distributed around its mean of zero.

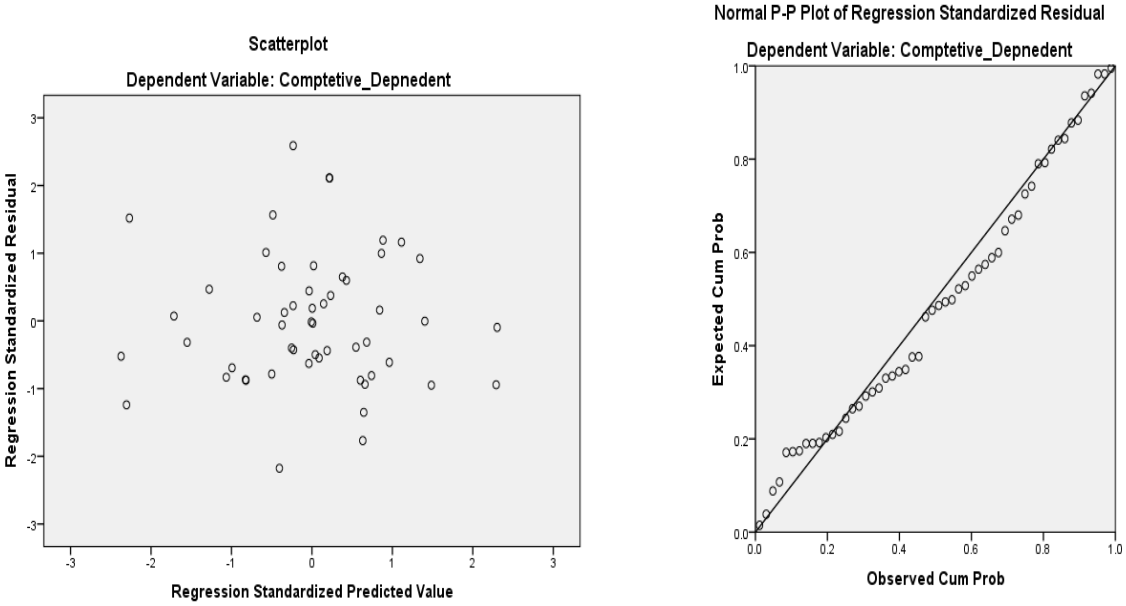
Figure 4.1 – Diagrammatical Presentation for Normality Test



4.4.2.3 Homoscedasticity Test

The information gathered for the investigation needs to show homoscedasticity that is the place where the changes along the line of best fit stay comparable as it moves along the line. Homoscedasticity can be checked by the plot of regression-standardized residuals versus regression-normalized anticipated qualities that gave no conspicuous indications of funneling. The state of the histogram as appeared beneath in graph 4.1 uncovered that the dependant variable (corporate performance) residuals are normally distributed. Aside from this, the plot of standardized residuals versus standardized anticipated qualities uncovers no undeniable indications of funneling. Also, all the dissipated plots are found inside the scope of 3 and - 3 on both axes of the Cartesian coordinate system, proposing the suspicion of homoscedasticity has been satisfied.

Figure 4.2 – Diagrammatical Presentation for Homoscedasticity Test of Independent Variables



4.4.3 Multiple Regression Model on effect of SC Strategy on Organizational performance

A different regression examination was led to decide the connection between independent variables (Supply Chain Strategy) and Organizational Performance (the dependent variable). Furthermore, the model synopsis is introduced in the table 4.4 hereafter:

Table 4.10: Model Design for five key independent variables of Supply Chain Strategy

a. Predictors: (Constant), Asset Strategy, Manufacturing strategy, outsource strategy, Customer service strategy, Chanel strategy

Design Sequence of a model	The value of R	The value of R^2	Value of an adjusted R^2	Value of S.E. Estimate
1	.855[a]	.731	.717	.33520

Source: (Field Survey and SPSS Output, 2020)

The coefficient of determination explains the degree to what exactly changes in the dependent variable can be clarified by the adjustment in the independent variable. What's more, the R^2 is the extent of the change in the estimations of the dependent variable for example corporate performance (Y) clarified by all the independent variables that is: Manufacturing, outsource, channel, customer service, and asset as; X1, X2, X3, X4 and X5.

The five key independent variables of SCM methodology clarifies corporate performance by 73.1% those spoke to by R2. This shows that the information used to dissect the relationship between independent variables and corporate performance was firmly related.

The Regression model:

$Y=a + b_1X_1 + b_2X_2 + b_3X_3+b_4X_4+ b5X5+\alpha$

Y is the value of the Dependent variable (organizational performance), which is anticipated of demonstrably shown;

a (Alpha) is the Constant/intercept

b_1, b_2, b3, b4 and b5 are the derivatives (Beta coefficient) for X_1X_2 X_3X_4 X_5 variables respectively and the "α" is an error value at 95% confidence level.

As a result, the study produced: Y = .510 + 0.180X1 + 0.146X2 + .141X3+.24X4+.366X5

Table 4.11: Results for Regression Coefficient on effect between dependent and independent variables

a. Dependent Variable: Organizational performance b. Independent Variable: Supply Chain Strategy

	USC		SC			CS	
Model Construct	Beta	SE	Beta	T Value	Level of Significance	Level of Tolerance	VIF Value
(Details of a Constant)	.510	.230		2.213	.029		
MS	.180	.054	.202	3.363	.001	.785	1.274
OS	.146	.053	.219	2.743	.007	.446	2.243
CS	.141	.066	.157	2.144	.035	.529	1.890
CSMS	.024	.087	.027	.272	.786	.297	3.366
AS	.366	.060	.467	6.127	.000	.487	2.052

Source: (Field Survey and SPSS Output, 2020)

The previous table i.e. table 4.7 shows that Manufacturing (p=001; i.e. less than.05), OS (P=007; i.e. less than.05), CS (P=0.35; i.e. less than.05), AMS (P=001; i.e. less than.05) are significant variables. Whereas customer service (P=.786; i.e. greater than.05) is an insignificant variable. The constant value of (Beta) is simply described to be the slope of the graph of the model in use. It is the value of the organizational performance or the dependent variable in cases where all the independent MS, OS, CSMS, and AMS) variables are equal to zero and the organizational performance would be 0.150.

The study's products showed that assuming every independent variable to be unvaried, manufacturing factors increased by one unit of differential lead to a change of 0.180 times corporate performance with significant p–value .001 which is less than 0.05. And assuming all other independent variables unvaried, outsource factors appreciated by one unit of differential produce 0.146 times corporate performance with significant p–value .007 which is less than 0.05 , channel strategy factors appreciated by one unit of differential lead to 0.141 times corporate performance with significant p–value .035 which is less than 0.05, asset factors appreciated by one unit of differential lead to 0.366 times corporate performance with significant p–value .001 which is less than 0.05.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter made summary for discussion on research findings as presented in chapter four so as to extract meaningful information behind such outcomes. Discussion summary was made possible with the help of cross-referencing to other relevant previous studies. Centre of discussion summary made based on research specific objectives, whereby the first section focused in the extent of understanding of supply chain strategy implementation, the second section focused on the level of supply chain strategy implementation and the last section dealt with the effect of supply chain strategy and organizational performance.

5.2 Summary of Major Findings

5.2.1 The extent of understanding for the supply chain strategy implementation of the organization

The objective to investigate the understanding of supply chain strategy implementation by the organization have been made through gathering and breaking down legitimate information with a methods for spreading survey to 113 respondents working at the subject office with the 101 feedback's. As it appeared in table 4.2, supply chain strategy key variables with mean value of (4.34), imply the respondents agreed to the fact that the company actually understood and implement the strategies.

5.2.2 The level of extent supply chain strategy is implemented in the organization

The estimate used to measure these supply chain strategy implementations proved to be reliable and valid as indicated from previous studies by (Agus and Bratić , 2011, p. 78), (Choon Ho , 2011, p. 64), and (Baqi , 2012, P. 55). The preliminary data analysis indicated the general actual implementation of supply chain strategy in East African Bottling S.C were not to at a very large extent this was evidently seen in the range of mean where by many variables had mean between 3.36 to 4.14 which meant ‘moderate extent’.

5.2.3 Effect of supply chain strategy and organizational performance

The findings revealed that taking all other independent variables constant, manufacturing factors increased by one unit of change lead to 0.180 times organizational performance with significant p–value .001 which is less than 0.05. And taking all other independent variables constant, outsource factors increased by one unit of change lead to 0.146 times organizational performance with significant p–value .007 which is less than 0.05 , channel strategy factors increased by one unit of change lead to 0.141 times organizational performance with significant p–value .035 which is less than 0.05, asset factors increased by one unit of change lead to 0.366 times organizational performance with significant p–value .001 which is less than 0.05.

5.3 Conclusion

Assessing and analyzing the effect of supply chain strategy on organizational performance is considered as a major key general objective of the study along with the research question for understanding the implementation of SCM strategy and practical level of implementation of this factor towards the performance of East Africa Bottling S.C. Key dimensions of supply chain strategy as well as operational and market-oriented performance indicators were used for the purpose of investigating the real scenario. Whereas, valid and reliable instruments for assessing study variables are used with the help of scientific methods such as Pearson correlation, multiple linear regression, multicollinearity and model formulation.

Thus, from such analysis, the study has empirically justified and provided a proof to support the conceptual and problem statements made in the previous studies regarding the role of supply chain strategy towards enhancing organizational performance. Furthermore, the study noticed some important points regarding, the level of understanding and implementation of supply chain strategy are at a very large extent in a way it could have enabled company to fully take advantage of benefits and performance of their organizations. The result from customer service strategy presents a small extent implementation or completely has low effect on the organizational performance of the company.

Nevertheless, the general conclusion emerged in this study was that, supply chain strategy understanding and implementation have a direct, positive influence on organizational performance when effectively and efficiently implemented and vice versa is true.

5.4 Recommendations

In light of the investigation discoveries, it was affirmed that there is solid requirement for the usage of supply chain strategy in East Africa Bottling S.C to improve their general organizational performance. Consequently the investigation furnished a few proposals in accordance with the examination targets and questions, which are valuable for operational practice and further, concentrate on the topic as follows;

- It is essential for senior and middle managers are trained first so that they are more likely to understand the usefulness of SCM strategy implementation concerning customer service and become committed to it for their operational relationship with outsourced firms and distributors, than huge advertisement campaign, even if the organization is not engaged in service sector.
- Training programs should also be provided to all staff as the way to ensure they can put into consideration the concept of customer service strategy in greater detail with regular evaluation, customer feedback, compliant management system, and human resource key performance indicator management for better performance of the company.
- From the analysis of supply chain management strategy implementation, human resource report and organizational structure; redesigning the merged department of logistics and supply chain management is paramount important as this sect is considered as fleet or operation management. And since, customer service strategy has become a matter of survival to stay in an increasingly competitive market. And a vivid SCM strategy concerning customer service enables the company to predict, forecast and excel from the current overall performance. And the organization shall restructure it department as logistics and fleet management, and supply chain management separately.
- Finally, as many studied indicated the concept of supply chain strategy as a new concept and operational application in Ethiopia. And Ethiopian food and beverage processing firms should conduct a sector based evaluation along the supply chain and sector performance from upstream (with industry suppliers) to downstream (with industry customers) by including other useful dimensions and or variables of supply chain strategies which were not mention in

this study, such as; order fulfillment management, returns management, logistic integration, supply chain bench-marking, reverse logistics, e-procurement and commerce, agility and lean practices, strategic planning, Third Party Logistics and inventory management.

5.5 Suggestions for further study

The study portrayed the supply chain strategy understanding and its implementation in East Africa Bottling S.C and how it impacts their overall organizational performance. However, the findings were confined to micro level of a firm only. Thus, further studies are needed to widen the scope of respondents by encompassing other food processors and beverage manufacturers at a sector or macro level. More studies are needed specifically to deal with supply chain strategy implementation and how it effect organizational and or sector wise performance of Ethiopian food and beverage processing firms, since there is shortage of such studies in the literature, which could help macroeconomic policy makers to design the right and effective development policy and strategy.

The concept of supply chain strategy is very wide due to its multidisciplinary origin thus covering everything in one study is nearly impossible. Future research should consider other dimensions of supply chain strategies such as supply chain integration, agility, lean practice, e-commerce and e-procurement, strategic location, order fulfillment management, returns management, logistic integration, reverse logistics, supply chain benchmarking, procurement, inventory management, just to mention the few.

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APPENDIX A: REASERCH QUESTIONNAIRE

A: Introduction

THE EFFECT OF SUPPLY CHAIN MANAGEMENT STRATEGY ON ORGANIZATIONAL PERFROMANCE: THE CASE OF EAST AFRICA BOTTLING S.C.

ADDIS ABABA, ETHIOPIA.

B: Objectives:

Dear respondents, the reason for carrying out this scholastic examination is to explore and distinguish the current SCM procedure, assess level of usage of SCM methodology, and evaluate its impact towards corporate performance of East African Bottling S.C – Coca Cola SABCO. What's more, your veritable, straightforward and opportune reaction is imperative for achievement of the investigation's goals. Along these lines, I thoughtfully request you to respond to each thing of the request circumspectly.

C: General Instruction

Dear respondents, you are unconditionally implored not to proclaim your name and individual contact on any page of the survey and please put an imprint "✓" on the allocated space adjoining the reaction you consider proper.

The researcher thanks you in advance for your good will and don't hesitate to reach out with inquiries as I am at your disposal with these details (Mobile: 0935355051 or e-mail: **nahom2015@gmail.com**)

Thank you in advance for sharing your precious time and relentless cooperation!

PART I: Demographic Information

1. Educational Competence:

☐ TVET Diploma ☐ BA/ BSC Degree ☐ Masters Degree and or beyond

2. Duty Position

☐ CEO/COO /Factory Manager ☐ Director ☐ Manager Other___

3. Years stayed at East African Bottling Coca Cola SABCO:

☐ Less than two years ☐ between two to five years ☐ between six to ten years ☐ beyond ten years

4. Name of your division of work :

Part II: Instruments for Supply chain management Strategy and Corporate performance

Section one: Supply chain management Strategy

This part is for SCM system and you are solicited to choose the best communicating scale for each separate demonstrating construct from one to six with their characterizing terms as beneath;

S.N	Manufacturing Strategy(MS)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1		1	2	3	4	5
1.1.	Our firm has examined how our organizational strategy influences the manufacturing process					
1.2.	Our firm has a formal and constant process for manufacturing with just in time strategy					

1.3.	Our firm cannot offer different degrees of manufacturing agility to different customers	1	2	3	4	5
1.4.	Manufacturing operational flexibility necessities are dictated low cost strategy	1	2	3	4	5
1.5.	Our firm doesn't anticipate capacity growth development for what's to come concerning production volume	1	2	3	4	5
1.6.	Our manufacturing capabilities are formally communicated with key customers	1	2	3	4	5
1.7.	Our firm has formal metrics focused on just in time order placement	1	2	3	4	5
S.N	**Outsourcing Strategy(OS)**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
2		**1**	**2**	**3**	**4**	**5**
2.1.	Our firm outsources transportation services for all its distribution?	1	2	3	4	5
2.2.	Our firm outsources logistics (this includes transportation, distribution and warehousing)	1	2	3	4	5
2.3.	Our firm outsources maintenance and repair services for the production plant	1	2	3	4	5
2.4.	Our firm outsources security and janitorial services for the entire plant					
2.5.	Our firm outsources training and counseling services for staff development					
2.6.	The outsourcing strategy of our firm is creating a pave for fixed cost reduction and to focus on core operational business lines to meet customer target fulfillment.	1	2	3	4	5
2.7.	Our firm has formal metrics focused on the outsourcing practice	1	2	3	4	5

3	**Channel Strategy(CS)**					
3.1.	Our firm select different finished items distributors based a well defined and articulated supply chain channel strategy.	1	2	3	4	5
3.2.	The location, capacity and timely proximity of distributors are designed at a standard to meet the requirements of end customers and retailers or sub distributors.	1	2	3	4	5
3.3.	The selection criteria for a selected distributor is unbiased, free from nepotism, and with less claim from unselected distributors.	1	2	3	4	5
3.4.	Our firm has a well organized information management system between the distributing channels and the marketing and sales.	1	2	3	4	5
3.5.	The operational performance of distributors and retailers are as per the organization target for sales and growth.	1	2	3	4	5
3.6.	All selected distributors and wholesalers have a well organized warehousing facility that meet food supply chain standard.	1	2	3	4	5

3.7.	Do you think distribution channel meets the predetermined target sales in an effective and efficient manner?	1	2	3	4	5

4	**Customer Service Management Strategy(CSMS)**					
4.1.	The company has a strong customer service and assistance management system in the entire work unit.					
4.2.	Our client assistance delegate react to customer service and compliance issues with officially created reaction methods					
4.3.	In our firm, the need for internal synergy is not considered necessary for successfully addressing a client's need for support					
4.4.	The company has a sound consumer's problem mitigation system before and after consumers faces a problem.					
4.5.	There is no systematic way to manage various food and beverage occasions to have the reaction of consumers.					
4.6.	There is a continuous customer care evaluation mechanism to keep a sustainable consumer satisfaction.					
4.7.	The firm has a well organized customer service management information system like ERP.					
5	**Asset Network Management Strategy(ANMS)**					
5.1.	The firm manufacturing plants based in Addis Ababa, Bahirdar and Dire Dawa are commissioned with feasible strategic locations to attain the lion share of the market.					
5.2.	The location of our firm distribution point is designed in a way to be strategically accessible.					
5.3.	There is a firm wide recognition of the need for continuous innovation and research in SCM as a means maximizing the profitability of our business model					
5.4.	The investment design of our firm have assumed and applied SCM to be a basic operational sect.					
5.5.	The company is using the latest state of the art production facility.					
5.6.	The company has an ISO or related quality standardization certification for asset management and valuation.					
5.7.	The company has an increasing return on asset from its investment.					

S.N	Organizational performance	Significant Decrease	Decrease	Same as Before	Increase	Significant Increase
		1	2	3	4	5
1	**Market share(MS)**					
1.1	How is the level of your customer or distributor retention performance?					
1.2	How do you rate the level of your distributors' competitive win back?					
1.3	How is your share of customer or distributor versus potential of the area or region?					
1.4	How is your firm's market share per each year plan?					
2	**Return on investment(ROI)**					
2.1	How do you rate the firm return on investment on particular investment relative to its investment cost?					
2.2	How is the return on investment for corporate learning and development towards organizational workforce productivity?					
2.3	How do you evaluate the return on investment of the firm on developing state of the art production technology?					
2.4	How do you rate the rate on investment on every year performance?					
3	**The growth of sales(GOS)**					
3.1	How do you rate sales performance against quota of production and goal?					
3.2	How do you rate order performance against quota of production and goal?					
3.3	How do you see order performance against every year performance?					
3.4	How do you observe your general sales volume for each brands you sale?					
4	**Sales Profit Margin(SPM)**					
4.1	How do you rate cost reduction target of the firm?					
4.2	How do you level firm efficiency on reducing the proportion of damaged product?					
4.3	How do you rank the firm effort to reduce inventory to minimum level to the extent that does not hinder work in progress?					
4.4	How do you measure firm economy of scale (large scale production and sales to reduce cost unit cost)					
5	**Overall competitive Position(OCP)**					
5.1	How do you evaluate the firm ability to improve continuously process capabilities?					
5.2	How do you rate the firm commitment to provide the production according to the local and international standard?					
5.3	How do you rate the firm product engineering, development, purchasing innovation and process design?					

5.4	How do you evaluate the firm commitment towards branding and corporate social responsibility?					