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(GRADUATE PROGRAM)

THE ROLE OF GLOBALIZATION OF THE SUPPLY CHAIN ON ORGANIZATIONAL PERFORMANCE: THE CASE OF FAFFA FOOD S.CO & NEWZEALAND MILK PRODUCTS ETHIOPIA S.CO (ANCHOR MILK)

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This is to certify that the thesis presented by Mr. Eyouel Tena, entitled "**THE ROLE OF GLOBALIZATION OF THE SUPPLY CHAIN ON ORGANIZATIONAL PERFORMANCE: THE CASE OF FAFFA FOOD S.CO & NEWZEALAND MILK PRODUCTS ETHIOPIA S.CO (ANCHOR MILK)**" Thesis Submitted to Addis Ababa University School of Commerce in partial fulfillment of the requirements for the award of the degree of Masters of Arts in Logistics and Supply Chain Management.

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List of Acronyms

AAU: Addis Ababa University

GSM: Global Supply Chain Management

WFP: World Food Program

AO: Aid Organization

SOP: Standard Operating Procedure

NZMPE: New Zealand Milk Products Ethiopia S.CO

SC: Supply Chain

S.CO: Share Company

TBL: Triple Bottom Line

SSCM: Sustainable Supply Chain Management

SCP: Sustainable, Consumption and Production

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Abstract

The globalization of supply chains has always been simultaneously an opportunity and an issue for manufacturing companies. Increasing competitive pressures force them to expand operations beyond national boundaries in order to source materials and components, manufacture products and sell their products. Little is known in the literature concerning the role globalization of a supply chain has on developing countries. The study examined two organizations in Ethiopia, Faffa Foods S.CO and New Zealand Milk Products Ethiopia S.CO (Anchor Milk) both engaged in the processed food and drink sector. The objective of the study was to assess to what extent globalized supply chain practices like global sourcing, globalization of technology and global sales, are being implemented, and the role these practices have on the organizational performance of the two (2) companies mentioned above. The Findings show that Global sourcing is practiced to a great extent in both companies, and it has a positive effect on the organizational performance of both companies, while Global sales has a positive effect on Faffa and a negative effect on Anchor. The researcher recommends that Faffa should enhance its global sales practices to get more benefit while optimizing it global sourcing practice, for NZMPE the researcher recommends it strategize its global sourcing and global sales practices for an optimum outcome.

Key Words: Globalization of Supply, Global Sourcing, Globalization of Technology, Organizational Performance

CHAPTER ONE: Introduction

1.1 Background of the study

Globalization, is the process of interaction and integration among people, companies, and governments worldwide. This is a simple and coined term of globalization other have said globalization is interpreted as internationalization, the term refers to a growth of transactions and interdependence between countries. Global supply chain management has tremendously gained importance since the past decades due to the global competitive business environment. Christopher et al. (2006) stress on the need of supply chain design for global operations and they argue that the choice of supply chain strategy impacts competitive performance. The internationalization or globalization of supply chains has increased foreign competition in the countries' local markets. Therefore, in order to reduce the severity of potential risks or issues with global procurement, businesses must act swiftly and sensibly at both the strategic and operational levels (Msimangira, 2003).

In this growing and global world, the interaction between countries is inevitable the way forward is to interact for the benefit of the countries, Nowadays due to the industrialization, modernization, globalization and informatization, the countries of the world are interacting more and more attention to the issues of developing a country's development strategy within the economic region, developing competitive advantages in international trade and studying and developing priority economy sectors. This implies that a country interaction in trade with neighboring and other economies must be aided with globalization.

The globalization of supply chains (SC) has always been simultaneously an opportunity and an issue for manufacturing companies (e.g., Dornier etal. 2008; Taylor, 1997). Increasing competitive pressures force them to expand operations beyond national boundaries in order to source materials and components, manufacture products and sell their products. Reduced trade barriers and advances in communication technologies also make this possible (e.g., H¨ ulsmann etal, 2008; Skjott-Larsen and Schary, 2007). SC management literature defines global SC management as the combination of three main operational processes global sourcing, i.e., the management of supplier relationships from a global perspective global manufacturing, i.e., the management of manufacturing activities distributed all over the world and global distribution, i.e., how companies manage their sales and distribution channels globally. In global markets, companies don't compete solely as individuals, but part of an entire supply chain, and strategic management must consider the whole supply chain and the global forces and trends shaping the new competitive environment when making operational decisions.

Two factors underline the dramatic rise in globalization. First, a company's survival depends on its ability to operate globally. Second, global businesses are more successful and expand more quickly. Bergsten (2001).The sustainability of supply chains is significantly impacted by increased globalization and an increasing global population, particularly in the food business. A lot depends on how food is grown, processed, moved, and eaten to determine if sustainability is accomplished along the entire food supply chain.

The dramatic increase in the world's population aligns with the problem that all people need to be nourished. Hence, the food supply chains of yesterday can no longer effectively handle demand, so they need to be restructured. Folkerts and Koehorst (1998) define a food supply chain as "a set of interdependent companies that work closely together to manage the flow of goods and services along the value-added chain of agricultural and food products, in order to realize superior customer value at the lowest possible costs." Due to globalization, food supply chains are growing and cross- border linkages become necessary (Folkerts and Koehorst, 1998), but larger quantities of food production are required to feed the population. This mass production has the consequence of damaging the environment more and more (Nellemann et al., 2009).

Globalization has changed not only the range of potential competitors but also the possible horizon of expansion and organizational structures. Krueger (1998) argued for the following benefits of globalization:

a. contractors in developing countries may gain more knowledge from the interactions with their foreign buying firms and as a result attain higher productivity; and
b. Exporters benefit from trade liberalization by achieving higher levels of efficiency more rapidly and economies of scale which are limited in protected nations.

Considering the above information about globalization and its impact on profitability and economic growth the researcher aims to assess and identify the role globalization of a supply chain, has on FAFFA'S and NZMPE's organizational performance.

1.2 Background of the company

FAFFA FOOD S.C COMPANY

FAFFA Food S.C is a pioneer of food processing industry in Ethiopia. It is located in Addis Ababa, Debrezeyit road, between Saris and Kality roundabout. The company was established in 1962 as an Ethio-Swedish joint venture with the objective of reducing the risk of malnutrition among children in Ethiopia by producing low cost and high protein weaning food. It was privatized since August 2009 by Petram Private Limited Company.

The company currently has 177 permanent employees out of which 32% are women while the remaining 68% are men. The company generates more than Birr 30,000,000.00 in the form of value added tax ,about birr 3,000,000.00 in the form of withholding tax, and more than Birr17,000,000.00 in the form of profit tax for the Government annually. Currently the production capacity of the factory has reached 23,000MT/annum while its capital has risen to 368,965,000.

NEW ZEALAND MILK PRODUCTS ETHIOPIA S.CO (ANCHOR MILK)

NZMPE Co-operative Group Limited, the New Zealand multinational publicly traded dairy co-operative owned by over 10,000 New Zealand farmers. To package Anchor powdered milk in Ethiopia. The parent company is responsible for approximately 30% of the world's dairy exports. The brand is designed to replace Faffa's Abay milk at a much higher capacity with 70% stake by joint venture but functions autonomously. While the production plant will be at Faffa Food Share Co., the main office is located on Welsoefer road. The company started production 9 years ago. Currently it employs 60 people.

1.3 Statement of the problem

Among the common things observed in Ethiopia is the unstable supply of food and beverage products to end users. One of the major challenges that face any growing economy is ensuring the food security for the citizens of the country and globalizing once supply chain to stay competitive in this challenging times.

In manufacturing industries including food, supply chain is the costliest activity requiring significant attention, effective strategy, and management. These industries need to have clear supply chain strategy and direction that support firms 'business strategy. In addition, the supply chain management including; the production planning, inventory control, distribution, and logistics processes should be well integrated and coordinated to reduce costs and increase contribution margins (Heizer, 2011). To reach this cost reduction and effectiveness globalizing one's supply chain is one of the most effective methods although globalization can be a double-edged sword if the appropriate measures are taken, the benefit are very fruitful.

Although GSCM literature is growing, the issue of global / international supply chain problems in developing countries has received little attention (Msimangira & Tesha, 2009). Much of the discussion has concentrated on global supply chain practices in developed countries, and less emphasis on problems facing suppliers or buyers in the supply network from developing countries. In most Ethiopian food manufacturing industries the globalizing of the supply chain strategies and activities were not clearly described and articulated. In this industry, making decisions about the supply chain is typically done to increase short-term profits. Additionally, the supply chain system's performance attributes that are internally and customer-focused were not identified, assessed, and benchmarked. Faffa Food Share Company has continually sought to improve the corporate structure, broaden the clientele, and boost earnings through company growth since privatization. As a result, it was believed that, significant achievements were made in solving inherited operational problems, technical challenges, and dependency on relief aid products. In this new competitive world, the success of a single business increasingly depends on management's ability to integrate the company's intricate network of business relationships, which includes sourcing globally or find global markets and partners, this is to enhance better organizational performance but companies in Ethiopia don't consider globalizing their supply chain.

Even though, globalization of supply chain practice is considered in the business strategy of both FAFFA and NZMPE the role it has on organizational performance is not quantified and described.

Based on informal discussion with the managements of the Companies, the researcher found the gap that there is need for further research in the area. It is evident that no known local study had been done on this phenomenon and it was against background that the researcher intends to clearly state the role of globalization of supply chain on organizational performance with specific reference to FAFFA FOODS S.CO and NEW ZEALAND MILK PRODUCTS ETHIOPIA S.CO. The intended purpose to conduct this is study is to narrow down the above stated problem.

1.4 Basic research questions

The research questions are the following

1. To what extent is globalization of a supply chain being practiced in FAFFA and NZMPE?
2. What is the effect of global sourcing on organizational performance?
3. What is the effect of globalization of technology on organizational performance?
4. What is the effect of global sales on organizational performance?

1.5 Objectives of the study

General Objective:

To assess the role of globalization of the supply chain on organizational performance of FAFFA FOOD S.CO and NEW ZEALAND MILK PRODUCTS ETHIOPIA S.CO (ANCHOR MILK).

Specific Objectives:

1. To assess the extent of globalization practices in FAFFA’s and NZMPE’s supply chain.
2. To ascertain effects of global sourcing on organizational performance.
3. To ascertain effects of globalization of technology on organizational performance.
4. To ascertain effects of global sales on organizational performance.

1.6 Definition of terms/concepts/constructs

GSCM**:** Global supply chain management

Supply Chain: are all inter-linked resources and activities needed to create and deliver products and services to customers (Ali et al, 2013).

Supply Chain Management: a process that 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 (Ali et al, 2013).

Global sourcing: Global sourcing is a procurement strategy in which a business buys goods and services from international markets across geopolitical boundaries aiming to exploit global efficiencies in the delivery of a product or service.

Globalization of Technology: utilization and diffusion of ICT into the global economy

Global Sales: is the strategy of trending the world as one market to distribute one's end product globally

Global marketing: is planning placing and promoting business products or services in the worldwide market

Organizational Performance: capability and ability of an organization to efficiently utilize the available resources to achieve accomplishments consistent with the set objectives of the company, as well as considering their relevance to its users (Peterson, W., G. Gijsbers, 2003)

1.7 Significance of the study

The study has been conducted in an environment where globalization is a new frontier for companies in Ethiopia. Nevertheless, globalization is a very important economic stimulator in developing countries. Findings like this are expected to provide a lot of insights for different organs. The major benefits of this study are the following;

- It gives insight on what trends the processed food industry is applying to globalize its supply chain practices and which of these methods are helping with organizational performance here in Ethiopia.
- The study will also benefit the academic community as it may contribute to the increasing body of literature on globalization of a supply chain.

  Finally for future studies comparative analysis can be done on the two firms with respect to the role of globalization on their organizational performance. Furthermore, it will be a casing point for any researchers to research on globalization of supply chain practices in Ethiopia.

1.8 Scope of the study

There's nothing very new about globalization of supply chain, as it is a concept that basically refers to the practice of *sourcing, manufacturing, technology, transporting and distributing products* outside of your native country. However, it is difficult and unmanageable to conduct the study in all areas, therefore this study is focused on the global sourcing, globalization of manufacturing technology and distributing products globally (Global Sales).

The research considered FAFFA food s.co and New Zealand Milk Products Ethiopia s.co for the study because FAFFA is largest and oldest Food complex company while FONTREAA is relatively a new and only entry to the fortified power milk market, it will try to identify the role of globalization practices like global sourcing, globalization of technology and global product distribution have on the organizational performance of these two firms.

1.9 Limitations of the study

The limitation of the study is that it is done on of FAFFA and NZMPE with respect to the role globalization of supply chain has on their organizational performance, so the data is limited to this companies, therefore the research is difficult to generalize the finding of the study to all other globalization practices that are described by different researchers and authors. So to improve generalizability the study can be replicated for other globalization of supply chain practice.

1.10 Organization of the study

This study is organized into five chapters. The first chapter introduces the background of the study, research questions and the objectives of the project. Besides, it states the motivation of doing this study and it includes limitations and scope of the study. Chapter two is studied related literatures in the areas of globalization of supply chain and organizational performance. Theoretical and empirical reviews are part of this chapter. At the end, the conceptual framework is presented. Chapter three of this paper examined the research design and methodology. The research approach, research design, population and sample, data collection procedures are included in this discussion.

The chapter also comprised the data analysis methods and put ethical boundary used in the study. Chapter four is about the presentation of the findings of data analysis and discussion has been made based on the result of the findings. The last chapter summarizing the findings of the study, and then conclusions has been drawn. After that recommendation has given to improve the performance of FAFFA food s.co and New Zealand Milk Products Ethiopia S.Co (Anchor Milk) limited finally, the researcher gave his view on future research direction.

<u>Chapter Two: Literature Review</u>

<u>2.1 Theoretical Review</u>

What is globalization?

Globalization, is the process of interaction and integration among people, companies, and governments worldwide. Others have claimed that globalization is viewed as internationalization, and that the phrase refers to an increase in transactions and interdependence between countries. Because of industrialization, modernization, globalization, and informatization, countries around the world are paying more and more attention to issues such as developing a country's development strategy within the economic region, developing competitive advantages in international trade, and studying and developing priority areas. This indicates that globalization must enhance a country's interaction in trade with surrounding and other economies.

Ethiopia has managed to register double-digit economic growth over the past 13 years. This high growth has contributed to a sustained increase in per capita income and a decline in absolute poverty, as well as improvement in standards of living (MOFEC 2017). This has been attracting foreign firms to invest in Ethiopia directly or through partnership. It is also important for Ethiopia in transferring technological advancement for domestic enterprises, competitiveness and organizational firms, assist human capital formation, international trade integration and to create a more competitive business environment from abroad (Gelawdewos, 2015). From this some investments have poured to the food and beverage sector. In the context of globalization, it is foreign trade that is considered to be an economy stimulator. It is the main factor determining economic growth.

What is globalization of a supply chain?

The globalization of supply chains has always been simultaneously an opportunity and an issue for manufacturing companies (e.g., Dornier etal., 2008; Taylor, 1997). Increasing competitive pressures force them to expand operations beyond national boundaries in order to source materials and components, manufacture products and sell their products. Reduced trade barriers and advances in communication technologies also make this possible (e.g., H¨ ulsmann etal.,2008; Skjott-Larsen and Schary, 2007).

SC management literature defines global SC management as the combination of three main operational processes global sourcing, i.e., the management of supplier relationships from a global perspective (e.g., Murray etal., 1995); global manufacturing, i.e., the management of manufacturing activities distributed all over the world (e.g., MacCarthy andAtthirawong,2003); and global distribution, i.e., how companies manage their sales and distribution channels globally (e.g., Bello etal.,2004).

Trends in modern food supply chains

The structure of today's typical food supply chain is shown in Figure 2. A farmer/grower starts with farm supplies — machinery, seeds, agro-chemicals and/or other inputs — and then sells either directly to a food processor or indirectly through storage and marketing via a cooperative group or consolidator. Growers do have the potential to reach down the chain to distributors, retailers and even consumers (e.g., farmers' markets and restaurants).

Other players in the chain can also extend their reach. Large manufacturers typically have a direct channel to retailers. The exact supply chain path for a particular food product depends on the product characteristics, size and market power of the supply chain members

(Maloni and Brown 2006). Traceability and transparency in food supply chains, however, are especially affected by three major forces: (1) globalization, (2) consolidation and (3) commoditization.

In global markets, companies don not compete solely as individuals, but part of an entire supply chain, and strategic management must consider the whole supply chain and the global forces and trends shaping the new competitive environment when making operational decisions. Two factors underline the dramatic rise in globalization. First, a company's survival depends on its ability to operate globally. Second, global businesses are more successful and expand more quickly. 2001's Bergsten The sustainability of supply chains is significantly impacted by increased globalization and an increasing global population, particularly in the food business. Whether sustainability is realized throughout the entire food supply chain depends much on how food is produced, processed, delivered, and eaten. Due to the complexity that persists in coordinating the members of food supply chain, food wastage has increased over the past few years.

In order to achieve sustainable consumption and production (SCP), stakeholders in the food business must work together and have their opinions effectively reflected. However, little study has been done on how coordination between supply chain participants and stakeholders affects the SCP context in the food business. To facilitate the theory development for SCP, in this work, a short literature review on sustainable supply chain management and sustainable supply chains in the food industry are provided to give the reader current knowledge on how the past and current research are introduced in this work. Following that, different theories that drive sustainable consumption and production have been identified and focused. The institutional theory, dynamic capability theory, and stakeholder theory are as a result provided. In order to achieve the SCP in the food supply chain, a conceptual framework has also been created by defining the indicators, drivers, and barriers. The issue that everyone has to be fed coincides with the sharp rise in global population. Hence, the food supply chains of yesterday can no longer effectively handle demand, so they need to be restructured. Folkerts and Koehorst (1998) define a food supply chain as “a set of interdependent companies that work closely together to manage the flow of goods and services along the value- added chain of agricultural and food products, in order to realize superior customer value at the lowest possible costs.” Due to globalization, food supply chains are growing and cross-border linkages become necessary (Folkerts and Koehorst, 1998), but larger quantities of food production are required to feed the population. This mass production has the consequence of damaging the environment more and more (Nellemann et al., 2009).

Attention brought to the environment in relation to supply chain management is called sustainable supply chain management (SSCM). The main challenge lies in integrating the two concepts of sustainability and supply chain management (Touboulic and Walker, 2015).

SSCM has, for example, been defined by Seuring and Müller (2008) as “the management of material, information and capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e. economic, environmental and social, into account which are derived from customer and stakeholder requirements.” This definition succinctly features three primary aspects: cooperation between members of the supply chain, the TBL approach, and attention to the supply chain stakeholders.

In order to achieve SSCM under the challenging circumstances of the food supply chain’s changing needs, the topic of sustainable Consumption and production (SCP) has to be considered.

Food and agricultural systems have particularly changed in the past decades and have affected both consumption and production patterns (Haen and Réquillart, 2014). SCP is one goal of the sustainable development; specifically, its goal is having more efficient and profitable production while using fewer raw materials as well as adding value to a product while creating less pollution and waste in the process. Moreover, more consumer needs shall be fulfilled with less energy, water, or waste (Department for Environment, Food and Rural Affairs, 2003). Hence, SCP was defined by the UK Department for Environment, Food and Rural Affairs as “a continuous economic and social progress that respects the limits of the earth’s ecosystems and meets the needs and aspirations of everyone for a better quality of life, now and for future generations to come.” In the past, the topic of SCP has received a good deal of attention. At the Rio Earth Summit in 1992, world leaders pointed out that the unsustainable pattern of consumption and production is a major cause of the deterioration of the global environment (UN, 1992). At the conference Rio+20 in 2012, world leaders adopted a 10-Year framework of programs to improve the international cooperation and to support the initiatives towards SCP in developed as well as in developing countries. In this framework it was stated that in order to achieve sustainable development, SCP has to have a high priority (Akenji and Bengtsson, 2014).

The problem of food loss and waste, according to the UNEP, is one of the most glaring manifestations of dysfunction with regard to consumption and production. A third of the food produced globally, or around $1 trillion, is lost or squandered in the production or consumption of food (UNEP, 2015a). By doing this, a distinction between food loss and food waste is formed. Food loss mostly happens during production, either harvest or processing. But significant amounts of food waste occur at distribution, retailer, and consumer segments (Kummu, Moel, Porkka, Siebert, Varis and Ward, 2012). Almost half of the total food wasted, around 300 million tonnes annually, is due to the fact that producers, retailers, and consumers abandon food that is still fit for consumption (UNEP, 2015a). As a result, food wastage happens on all stages in the supply chain, Globalization has changed not only the range of potential competitors but also the possible horizon of expansion and organizational structures.

2.1.1 <u>The Concept of Organizational Performance</u>

The Concept of performance

Performance refers to the degree of achievement of the mission at work place that builds up an employee job (Cascio, 2006). Different researchers have different thoughts about performance. Mostly researchers used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack, 1996).

Nowadays organizations are more focusing on the management of non-financial or intangible assets like customer"s link, services, quality and performance, not on the assets which are financial in nature (Kaplan and Norton, 2001). So, there is a need for proper performance measurement system to measure and evaluate the performance of employee either financial or non-financial. So, there is a need for proper performance measurement system to measure and evaluate the performance of employee either financial or non-financial.

Chenhall (2005), said that the SPMS provide a way to translate and measure the both financial and non-financial performance. He also suggests that it is the incorporative nature of this measurement technique; provide the potential to increase the strategic competitiveness of the organization. Researchers among themselves have different opinions of performance. The central issue concerns with the appropriateness of various approaches to the concept utilization and measurement of organizational performance (Venkatraman & Ramanuiam, 1986).

According to Daft (2000), organizational performance is the organization"s ability to attain its goals by using resources in an efficient and effective manner. Quite similar to Daft (2000), Richardo (2001) defined organizational performance as the ability of the organization to achieve its goals and objectives. Hefferman and Flood (2000) stated that Organizational performance has suffered from not only a definition problem, but also from a conceptual problem. This is what stated. They stated that as a concept in modern management, organizational performance suffered from problems of conceptual clarity in a number of areas. The first was the area of definition while the second was that of measurement. The term performance was sometimes confused with productivity. According to Ricardo (2001), there was a difference between performance and productivity. Productivity was a ratio depicting the volume of work completed in a given amount of time. Performance was a broader indicator that could include productivity as well as quality, consistency and other factors. In result-oriented evaluation, productivity measures typically considered.

Performance is a widely used concept in many areas. Mostly, it is a measurement of how well a mechanism or process achieves its purpose. Moullin (2003) defines an organization's performance as „how well the organization is managed and the value the organization delivers for customers and other stakeholders. It is also the measurement of the effectiveness and efficiency of both the organization and the workers (Neely et al.,) where effectiveness refers to the extent to which stakeholder requirements are met, while efficiency is a measure of how economically the organizations resources are utilized when providing a given level of stakeholder and customer satisfaction. Hence, performance can be defined as the use of resources both efficiently and effectively in the achievement of its expected objectives.

Performance is equally defined as the achievement of financial and non-financial goals that enables an organization to remain viable and sustainable both in the short term and in the long run (Denison, 2008).

Performance Measurement

Although much research has been conducted on performance measurement, its definition is still widely debated. „Performance measurement is a set of systems of metrics used to quantify both the efficiency and effectiveness of actions" (Neely et al., 2000). Moullin (2003) defined performance measurement as „the evaluation of how well organizations is managed and the value they deliver for customers and stakeholders. He claimed that his definition stresses both the value the organization provides to its stakeholders and the manner the organization is governed, clearly illustrating the goal of performance evaluation. A more detailed definition of performance measurement was provided by Amaratunga and Baldry (2002). They wrote, "Measurement provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, helps to identify areas of strengths and weaknesses, and decides on future initiatives, with the goal of improving organizational performance." This definition entails both the role and process of performance measurement clearly from different aspects.

Functions of Performance Measurement

To function successfully in the present competitive business environment, an organization depends upon the decision-making ability of its managers, who in turn, depend upon the availability of usable information. Information about performance is useful and important in different ways to the various stakeholders of the company. For example, managers look at the performance measurement as a way of keeping an organization on track in achieving the organizations objectives. In other words, it is a monitoring mechanism employed by the organization for the formulation and implementation of business strategy.

The function of performance measurement can be categorized into four aspects as by Neely, 1998;

1. Checking position; it is the establishment of current status and monitoring of progress over time and against benchmarks.

2. Communicating position; this deal with communicating with the shareholders, customers, or employees by releasing annual reports or calling for general meetings, etc.

3. Confirm priorities; performance data provide insights into what is important to a business, thus by exposing shortfalls that allow organizations to identify priorities.

4. Compel progress; the measures can help the organization to focus on specific issues and encourage people to search for ways to improve performance. This measure communicates priorities and can form the basis for reward.

2.1.2 Introduction of organization performance

According to Chen (2002), organizational performance means the "transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness)". There are various ways to understand organization performance but, in this thesis, it has been judged upon the growth of the company and sales performance which lead towards the growth. Sales performance can be explained as all the activities or investment carried out in the firm in the given period of time. It can be measured by total amount of revenue collected for the goods sold. Growth revenue defines as total amount of money collected by the company for the goods they sold in a Specific time and this amount is calculated before any expenses are subtracted. Effectiveness of the organization depends on the three basics performance determinants.

1. Efficiency and process reliability

2. Human resource and relations

3. Innovation and adaptation to environment. (Yuki 2006).

Efficiency is characterized as a phrase used by organizations or firms to carry out significant operations in a way that minimizes expenses. The cost of operation will drop and the profit margin will rise when the resources are employed properly in comparison to the competition. When a business competes by offering goods and services at lower prices than its rivals, efficiency is crucial. Human resource relation is defined as trust, organizational commitment, collective identification and cooperation among the employees. (Bass 1990 Yuki and Tabler 2002). Innovative adaption includes increase in market share, sales growth from year to year, generating and maintaining loyal customer base.

2.1.3 Different conceptualizations of organizational performance

There are different ways or concepts in an organization which can be adopted to improve the organizational performance,

1. Structure drives behavior: Organizational structure includes certain policies and procedures which are followed by the employees when they are performing their day to day activities. It also includes the goal or targets set by the company's management for the organizational population to achieve. The actual work flows that employees are encouraged towards their targets and goals.

2. Cause and effect are not closely related in time and space: While looking forward to organizational decision making it is necessary to consider the delay in time decision was made and the time outcome was seen in most cases this takes several months or years.

3. No single right answer: In an organization decision making some answers to the question is clearly better than the others but there is no one right answer sometimes we think that our answer was the best one but actually it is not in organization decision making the right answer today can be proved wrong tomorrow.

4. Behaviors will get worse before they get better: Whenever we learn something new the effectiveness of our behavior will diminish before the new ability or skills is able to provide the improvements as required. So once again it's a delay between learning the new skill and effectively utilizing it according to the needs.

In this thesis more attention is given to the service sector as the case company is a banking sector which totally relies on customer service, customer satisfaction and results in growth of the company financially as well as in the number of employees.

The conceptualization of organizational performance in such industries where you are interact with the customers face to face basically needs a very high level of behavior and skills to satisfy the customers. The concept here is to listen to the customers as much as you can to actually find out the need of the customers.

2.1.4 Different ways to measure organizational performance

Measuring and analysis of organizational learning has become widely popular and play a very important role in the success of the organization. Lot of work has been done on this. The performance is usually evaluated by calculating the values of qualitative and quantitative performance indicators like profit, cost, and clients. It is quite important for a company to determine the relevant indicators how they relate to the company goals and their dependence on the performed activities. Currently lot of managers recognize this and put the necessary effort to define the company goals, performance indicators and evaluate them. However practically such analysis is done in an informal way and will benefit more from the systematic approach. The initial step towards an improvement in this area is to make explicit the available knowledge on performance indicators and how they are related. In order to use this knowledge in a modern framework for organization modeling it is necessary to validate the concept of a performance indicator together with its characteristics, relationships to other performance indicators and relations to other formalized concepts such as goals, processes and roles. This will not only contribute to the design and analysis of organizations and the evaluation of their performance but will also enable reuse, exchange and alignment of knowledge and activities between organizations (for example supply chains). "Managers must stimulate innovation in the core

Strategy, Business, Model, processes, policies and productivity.”(James B hangstefer Nov 1999).

A company can easily measure its growth by some new metrics called momentum indicators. One of the most important indicators is revenue margin. Revenue margin is the profit from revenue and is only the source of operating profit. An unsatisfactory trend in revenue margin shows that company’s market position as compared to competitors is not strong. Along with Then there are other specific momentum indicators both quantitative and qualitative necessary to create a picture of things if working accurately or not. These indicators are used to measure the three drivers of performance market position strength, organizational vitality and productivity gain. They are also measuring the outcomes financial performance and stake holder value produced.

Previous research had used many variables to measure organizational performance. These variables include profitability, gross profit, return on asset (ROA), return on investment (ROI), return on equity (ROE), return on sale (ROS), revenue growth, market share, stock price, sales growth, export growth, liquidity and operational efficiency (Parnell & Wright, 1993). There was also, inconsistent measurement of organizational performance- although most researchers (Kotter & Heskett, 1992) measured organizational performance by using quantitative data like return on investments, return on sales and so forth. The definition of performance has included both efficiency-related measures, which relate to the input/output relationship, and effectiveness related measures, which deal with issues like business growth and employee satisfaction. Additionally, performance has also been conceptualized using financial and nonfinancial measures from both objective and perceptual sources. Objective measures include secondary source financial measures such as return on assets, return on investment, and profit growth. These measures are non-biased and are particularly useful for single-industry studies because of the uniformity in measurement across all organizations in the sample (Venkatraman &Ramunujam, 1986).

2.2 Empirical Review on Globalization of a supply chain

Empirical review on supply chain practices in Africa (Global Sourcing)

Msimangira & Tesha (2014), conducted a research on Globalized Supply chain Practices and problems in developing countries: A study of Tanzania, the researchers aim was to identify key problems affecting global sourcing processes in the global supply chain, with reference to the transport sector in Tanzania. They used a case-based research approach by conducting in-depth interviews with senior procurement and supplies managers. Secondary data were collected from the companies' websites and annual reports. The results indicated the key common global supply chain problems reported by two senior procurement and supplies managers: (1) use of outdated technology in the domestic market, (2) lack of trust, (3) documentation problems, (4) lack of integrated computerized system to link with suppliers, (5) non-existence of original suppliers, (6) procurement of counterfeit products (spare parts), (7) currency for payments and fluctuation of value, (8) cultural differences, (9) specification requirements, (10) difficulty to assess suppliers, (11) procurement function not normally involved in some procurement processes, and (12) unacceptable international commerce terms (incoterms) used by the suppliers.

In addition, during the interviews, senior procurement and suppliers managers suggested that the existing problems must be solved first through collaboration between the local buyers and overseas sellers (suppliers), before attaining an effective global supply chain in a competitive global business environment. This study reveals that though both large transport companies operate in the same domestic business environment, some of the problems are unique to each company, such as problems numbers 5, 7, 8 and 9, due to the nature of business. The problems identified in this study support the findings revealed in the literature (e.g., Birou & Fawcett, 1993; Klassen & Whybark, 1994; Fawcett, et al., 2008; Colicchia et al., 2010; Cheng et al., 2012; Astuti et al., 2013). Though the respondents didn't cite training in global supply chain management as a problem during the interview, one respondent stated after the interview that the problem of top management not involving procurement and supplies personnel when buying capital goods is a clear picture of the level of training and lack of recognition of procurement at the strategic level of the organisation. This shows that there is a need to train top management in supply chain management, as suggested by Msimangira (2003). He identified a similar problem in a study on the role of senior and middle management in developing countries, which revealed that middle managers have more practical vision for future than top (senior) managers (Msimangira, 1994).

Empirical review on supply chain practices in United Kingdom (Global Sales)

Vikas Kumar et al. / Procedia Manufacturing 11 (2017) conducted a research on The impact of supply chain integration on performance: Evidence from the UK food sector, This study develops a conceptual framework from the literature and defines four constructs of integration (customer, supplier, internal, and information integration) to see how this would lead to improved supply chain performance (such as production flexibility, inventory turns, order fulfillment rate, total logistics costs, and operational performance).

The survey data was analyzed using SPSS statistical software. Around 73% respondents were from organizations that employed less than 50 employees whereas 17% firms who responded employed between 50-250 employees. Around 10% organizations responding the survey employed more than 250 employees. 85% of respondents were located in England, followed by 11% in Wales, and 4% in Northern Ireland. The results indicate that respondents who had their job function fully related to supply chain management were 43%, followed by respondents who had their job functions partially related to supply chain management which was 42%. Around 15% respondents didn't reveal their job positions. With regard to awareness about the SCI, around 30% of respondents were fully aware, followed by 23% respondents who partially understand the term supply chain integration. However, surprisingly around 36% respondents acknowledged that they haven't heard of the term before. These respondents could be the ones who either had partial knowledge of supply chain or were not working in supply chain related roles. The correlation analysis shows that supplier integration is positively linked to supply chain performance thus supporting H1. Customer integration was also found to be positively associated with supply chain performance, thus supporting H2. Similarly, H3 and H4 were also found to be true. Thus, the data supported that SCI constructs are positively linked to supply chain performance.

Empirical review performance measurement

Performance measurement has its roots in early accounting systems of how a pre-industrial organization could maintain a good account of external transactions and stock. Thus, before the 1980‟s, performance measurement was largely evolved within the large industrial firms focusing on the achievement of a limited number of key financial measures (Johnson & Kaplan, 1987). But by the early 1980‟s, as the increasing complexity of organizations and the markets in which companies compete, it was no longer appropriate to use financial measures as the sole criteria for assessing success (Kennerley & Neely 2002). The literature on performance assessment, according to Ghalayini and Noble (1996), developed in two stages, the first of which lasted from the late 1880s through the 1980s. The focus of this period was on monetary indicators including profit, return on investment, and productivity. Due to changes in the global market, particularly in corporate environments, the second phase began in the late 1980s.

2.3 Conceptual Frame work

A conceptual framework is a structure which the researcher believes can best explain the natural progression of the phenomenon to be studied (Camp, 2001).

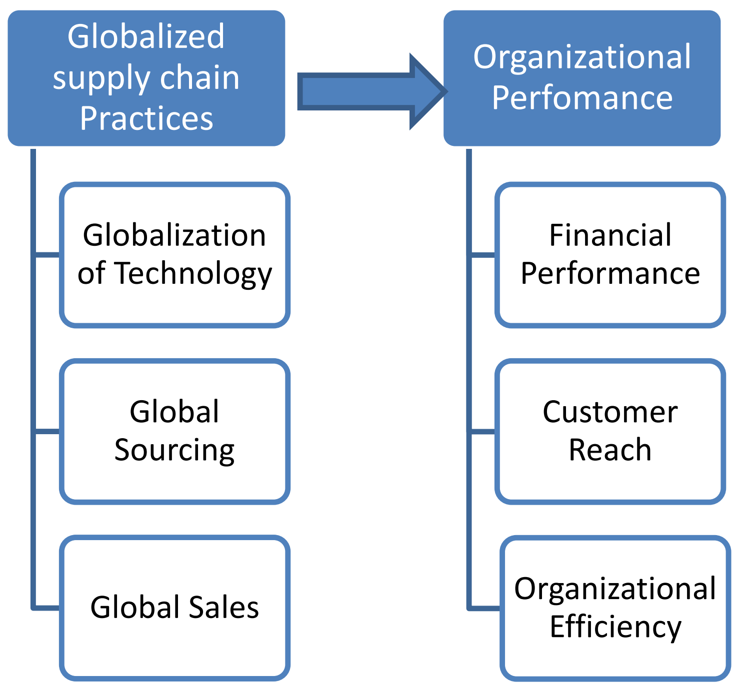

Fig 1. Conceptual frame work of study on role of globalzation of the supply chain on organizational performance the case of NZMPE and FAFFA

2.4 Research Hypothesis

In order to answer the research questions and achieve the objectives of the study, the following hypothesis is developed and will be tested in this research to verify the under listed hypotheses.

H1 – Global Sourcing has a positive effect on organizational performance.
H2 – Globalization of technology has a positive effect on organizational performance.
H3 – Global Sales has a positive effect on organizational performance.

CHAPTER THREE*:* RESEARCH DESIGN AND METHODOLOGY

3.1 Research Approach

According to Creswell (2005) the three methods that are commonly implemented in research are quantitative, qualitative and mixed approach, where one of them is not better than the others, all of this depends on how the researcher want to do research of study. He asserted that quantitative research is a type of educational research in which the researcher decides what to study, asks specific, narrow questions, collects numeric (numbered) data from participants, analyzes these numbers using statistics, and conducts the inquiry in an unbiased, objective manner. Variables can be defined as attributes or characteristics of individuals, groups, or sub-groups of individuals (Creswell, 2009). Whereas qualitative approach used to reveal the meaning that informs the action or outcomes that are typically measured or quantified by quantitative approach. Mixed research method is defined as the class of research welfare the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language in to a single study (Kothari, 2004).

This research used mixed approach because; mixed research is useful to capture the best of both qualitative and quantitative approaches. Greener, 2008 and Saunders et.al (2007) the advantage of using mixed methods is that it enables to triangulate and support the data and result collected by questionnaire.

3.2 Research design

The researcher used both descriptive and explanatory features of study that allows both quantitative and qualitative data analysis and inferential statistics respectively. The descriptive study allowed the researcher to describe those data and helps to know the event that was taken place, whereas explanatory study to examine the relationships between variables. Based on Cooper and Schindler, (2000) explanatory research emphases on why questions. In answering the `why' Questions, the study is involved in developing causal explanations. Causal explanations argue that phenomenon X (organizational performance) is affected by factor α (global supply chain practices).

So, the study followed explanatory research that describes and explains deeply the role of global sourcing, globalization of technology and global sales (distribution of products globally) has on organizational performance.

3.3 Variables of the study

The study has both dependent and independent variables.

***Independent variables are*;** Global Sourcing, globalization of technology and Global sales (distribution of products globally)

Dependent variable; organizational performance (financial performance (profitability), customer reach and organizational efficiency)

3.4 Research Population and sampling

Population

According to Mugenda& Mugenda (2003) Target population refers to all members of a real set of people, events or objects to which the study generalizes hypothetical results of the research. Population also refers to a well-defined set of individuals (or objects) having some common observable characteristics that are being investigated. For this study, the population was all the employees of FAFFA and NZMPE. According to the human resources department, FAFFA has the total population of 174 from stated population 40 were temporary employees, whereas 134 were permanent. To collect data about globalization of supply chain the researcher will target the 90 related with global procurement, global marketing, finance, and management department.

NZMPE has about 70 permanent employees to collect data about globalization of supply chain the researcher will target the 60 related with global procurement, global marketing, finance, and management department.

3.5 Sampling technique and method

Samples will be taken from the above populations. The sample from FAFFA and NZMPE employees will be taken using convenience sampling will be used.

Since the target population are from the same organization, convenience sample selection method will be used to determine sample size.

On the other hand, the researcher will have semi-structured questions of 4 interviewees from 4 officials to get detailed and clarified information as they are decision makers in their respective organizations.

To determine the size of the population the researcher will use Taro Yamane's (Yamane, 1973) sample size formula with 95% confidence level. The calculation formula of Taro Yamane is presented below.

$$n = \frac{N}{1+(e)2}$$

Where:

n=sample size required

N=number of people in the population

e=allowable error (%)

Using the above formula from the total population of 134, the researcher will take sample of ninety (90) people who will be included in to population sample from Faffa and 60 from NZMPE will be included

3.6 Sources of data

To obtain reliable data the researcher used both primary and secondary data. The primary data for research paper collected from employees, supervisors and manager of the targeted units and the secondary data also collected from written materials like scholar journals, organizational reports, and company websites.

3.7 Data collection tools

This study employed closed ended questionnaire. Closed- ended questionnaire were preferred to address different issues. Importantly they reduce time needed to complete survey increasing response rate. In addition it allows for easy and precise categorization of responses.

In designing the questionnaire, a 5-point Likert-Scale approach used to maintain the validity of the constructs and scale used in this research. Questionnaire was adopted from previous researches with similar topics and modified in line with research questions of the study. Modifications were based on careful review of literatures, statement of problem, literature review, conceptual framework and the research questions.

3.8 Data collection procedure

To obtain the first-hand information questionnaires was distributed personally by the researcher to the organizations. A semi-structured interview was administered to selected and volunteer administration members.

3.9 Data Analysis Methods

In this study, Quantitative data from the questionnaires was analyzed using descriptive and inferential statistics, whereas description analysis method will used for data collection through interview and observation. The rational to use this descriptive and inferential statistics is to describe the basic features of the data in a study and to provide summaries about the sample and statistical package for social science (SPSS) tool and EXCEL.

3.10 Reliability and Validity of the Research

Reliability

Reliability refers to the consistency of the measurement and how trustworthy is the score of the test. To ensure the reliability of the research results, this study was conducted using different data sources like primary and secondary data sources from different respondents. In addition to this, the researcher conducted interviews across different departments in the company using in-depth semi-structured interviews with the same predetermined set of topics and issues. The researcher used Cronbach's Alpha using SPSS software to assess the reliability of each scale. Alpha values over 0.7 indicated that all scales can be considered reliable (Nunally, 1978).

Table 3,1 cronbach alpha table of questionnaire for survey on NZMPE and Faffa		
variable	Cronbach's Alpha for NZMPE	Cronbach's Alpha for Faffa
Global sourcing	0.751	0.725
Globalization of technology	0.745	0.733
Global sales	0.703	0.726
Organizational performance	0.727	0.766

Validity

According to (Wunwimon, 2010), validity of finding or data is "traditionally understood to refer to the 'correctness' or 'precision' of a research. Validity was ensured through multiple sources of evidence, including documentation, interview and the use of multiple sources. In this study validity was insured by submitting the same questionnaires to all the subjects and interviewing them consistently under the same structured topics. Additionally, in the process of questionnaires formulation, proper attention was given to select research questions in line to the research objectives. The researcher worked diligently in the process of data collection by providing clarification about the questions for the respondents to collect valid data throughout the data collection time.

3.11 Ethical Consideration

To undertake the research, necessary approval and permit was obtained from the Addis Ababa University, school of commerce and a covering letter was attached to the questionnaire expressing participant's anonymity, confidentiality of collected information. In addition written informed consent request was obtained with each questionnaire... Respondent's name and other identifying information will not be used in the study.

CHAPR FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION

As explained in the earlier chapter, this study intended to assess the role of globalization of the supply chain on organizational performance of FAFFA FOOD S.CO and NEW ZEALAND MILK PRODUCTS ETHIOPIA S.CO (ANCHOR MILK). Therefore, the findings of the research are presented and discussed here below.

The questionnaire were designed in five scale ranging from 5 to 1 ; where 5 represent to a very great extent, 4 to a great extent, 3 to a moderate extent, 2 to a low extent, and 1 to a very low extent. Totally 90 and 70 survey questionnaire was distributed to Faffa and Anchor workers respectively. The desired respondents were selected by cluster sampling technique, out of the distributed questionnaires 84(93.3%) from Faffa and 63(90%) from anchor were received and deemed valid and included in the analysis. Two (2) interviewee's from each department were selected from both companies for a semi-structured interview to gather more insight about the extent of the role of globalization of the supply chain on organizational performance of FAFFA FOOD S.CO and NEW ZEALAND MILK PRODUCTS ETHIOPIA S.CO (ANCHOR MILK).

The collected data was cleaned and organized using MS EXCEL 2013 processed and analyzed using SPSS (version 26) statistical software. Descriptive statistics was done using frequency tables and charts .correlation statistics was done using Pearson's coefficient and linear regression. Research hypothesis was tested and p value <0.05 was considered significant. Interview results were analyzed using thematic analysis to further explore survey findings.

Table 4.1 Overall demographic characteristics of respondents

Name of Company		Faffa		NZMPE (Anchor)	
Demographic profile	Item	Frequency	Percentage (%)	Frequency	Percentage (%)
Gender	Female	20	23.9 %	15	28.4 %
	Male	64	76.1%	38	71.6 %
Age	20-30 Years	7	8.3%	11	20.7%
	30-40 Years	12	14.28%	17	32%
	>40 Years	65	77.38%	25	47.2%
Education	College Diploma	40	47.6%	11	20.7%
	First Degree	38	45.2%	37	69.1%
	Masters & above	6	7.1%	5	9.4%
Field of work	Administration	12	14.3%	9	17%
	Finance	16	19.3%	8	15.1%
	Procurement	12	14.3%	5	9.4%
	Marketing/sales	18	21.4%	15	28.3%
	warehouse	16	19%	9	17%
	Production	10	11.9%	7	13.2%
Work experience at the company	Under 2 years	2	2.38%	8	15.1%
	2-5 years	4	4.76%	33	62.3%
	6-10 years	16	19.04%	12	22.6%
	Over 10 years	62	73.8%	0	0 %

4.1 Descriptive analysis of Supply Chain globalization practices in Anchor

Likert scale that range from very low extent to very great extent on the survey questionnaires, the calculated mean value that ranges from 1.0 to 1.49 implies very low extent, 1.50 to 2.49 implies low extent, 2.50 to 3.49 moderate extent, 3.50 to 4.49 great extent, and finally 4.50 to 5.00 very great extent. In evaluating data, standard deviation was also used which indicates small standard deviation relative to the value of the mean itself implying data are close to the mean, on the other hand a larger standard deviation the data points are distant from the mean. Standard deviation is a measure of how well the mean represents the data (Field, 2009).

4.1.1 Global sourcing practices of Anchor

Table 4.2 Global sourcing practices at Anchor

	N	Mean	Std. Deviation
The company applies strategic sourcing for supplier selection and evaluation.	53	4.30	.775
The company applies SOP (Standard operating procedures) for procurement	53	4.10	.837
The company uses multiple sources for sourcing globally	53	1.49	.504
The company has outsourced some business processes	53	4.19	.759
The production process of the company highly relies on globally sourced materials	53	4.29	.792
Globally sourcing has challenge to the company due to lack of foreign currency	53	3.98	.772
Globally sourcing adds lead time to the company's business process	53	4.29	.906
Globally sourcing adds value to the company's products	53	4.48	.692

Source: Own Survey, 2022

As the mean value of 4.3 implies the respondents indicated Anchor applies strategic sourcing for supplier selection and evaluation to a great extent. Which is a key factor when any company starts to source globally because it allows for a cost-effective decisions in regard to sourcing.

The second question for respondents was if the company applies SOP's for procurement purposes the mean of 4.1 indicates the company applies sop's to a great extent.

The use of multiple sources for global sourcing has a mean of 1.49 which indicates the company has mainly one supplier. This has been confirmed through the semi-structured interview the author conducted. The NZMPE company almost mainly sources from the sister company found in Dubai.

The mean 4.29 indicate that the production process relies on globally sourced material to a great extent. This is further supported by the information collected from the interview which shows the company sources the Raw material input like the powdered milk, minerals, vitamins, packaging and other inputs from other countries which consists of 90% of the whole inputs.

The majority of respondents believed global sourcing adds value to company products to a great extent which is shown with the mean of 4.48.

However Global sourcing is perceived as challenging to the company due to lack of foreign currency and adds lead time to the company business process this is shown with the mean of the survey 3.98 and 4.29 respectively. From the information gathered through the interview the interviewee's had focused how challenging it is to find foreign currency for importing the input materials due to economic situation of the country which in turn adds lead time to the company's business process.

Outsourcing of some business process is implemented to a great extent in NZMPE.

4.1.2 Globalization of Technology practices of Anchor

Table 4.3 Globalization of technology practices at anchor

	N	Mean	Std. Deviation
The company uses global industry standard technology for its production process	53	4.13	.833
The company shares technology and knowledge with global partners	53	3.65	.699

The company implements total quality management	53	3.70	.796
The company uses production and inventory management system to reduce cycle times	53	3.81	.618

Source: Own Survey, 2022

Anchor uses global industry standard technology for production process to a great extent as reflected by mean value of 4.13. The interview specifies that the technology and machineries the company uses for its production process is up to current industry standard.

A value of 3.81 indicates that company also implements production and inventory management to a great extent to reduce cycle times of its input. The interview gives insights that NZMPE implements ICT solutions for production and inventory management, enterprise business management software's are used for this purpose. NZMPE shares technology and knowledge with global partners and implements total quality management to a moderate degree the mean value of 3.65 and 3.70 respectively indicates the above.

4.1.3 Global Sales practices of Anchor

Table 4.4 : Anchor Global sales practices

	N	Mean	Std. Deviation
Globally marketing and sales is part of the company's strategic plan	53	4.02	.660
The company has introduced its products to the global market	53	3.56	.562
The company has studied infrastructures, trade incentives and barriers of global markets	53	3.97	.647
The company has done research on global markets for its products	53	4.30	.638
The company applies inbound marketing to increase global sales	53	2.59	.496
The company applies outbound marketing to increase global sales	53	2.49	.504

Source: Own Survey, 2022

The company has focused on global marketing and sales in its strategic plan to a great extent which is indicated with the mean value of 4.02 accordingly the interview's specifies that the company has had global marketing and sales as a goal since it was established.

It has researched the global market for its products to a great extent which the mean value of 4.3 indicates. The company has studied infrastructures, trade incentives and barriers of global markets to a moderate extent while introducing its products to the global market to moderate extent, however the company applies inbound and outbound marketing to increase global sales to a low extent which is indicated with a mean value 2.59 and 2.49 respectively by the survey.

4.1.4 Organizational Performance of Anchor

Table 4.5 : Organizational performance of Anchor

	N	Mean	Std. Deviation
The company has increased its year over year profitability	53	3.10	.530
The company has increased its customer reach year over year	53	2.60	.493
The company has achieved its organizational efficiency goal of the year	53	2.68	.643

Source: Own Survey, 2022

The mean value of 3.1 indicate the company has increased its year over year profitability only moderately. Moreover the interview has specified the company was lagging behind its goal of profitability because the companies operation highly depends on sourced material and the lack of foreign currency the production process has been irregular and erratic which made the company lag behind their goal which in turn affected their targeted profitability. These fact is further transformed on the customer reach year over year question which with the value of 2.6 indicates it is to a low extent and the overall organizational efficiency was to a low extent indicated with the value of 2.68. The irregular production process has a chain effect on profitability, customer reach and organizational efficiency.

4.1.5 Correlation Analysis

According to Freeman and Young (2009), a correlation coefficient is a measure of linear association between two continuous variables and represented by „r". The correlation coefficient „r" takes a value between -1 and +1 (-1 < r < +1), -1 means there is perfect negative association between the variables, 0 means there is no association among the variables of interest and +1 indicates there is perfect positive relationship between the variables.

4.1.6 Correlations between organizational Performance and Independent variables (Global Souring, Globalization of technology and Global sales)

The Bivariate Pearson correlation coefficient outcome indicates there is a high positive correlation between organizational performance and global sourcing (r=.0.764**), the other independent variables (Global sales) has a moderate negative correlation with the dependent variable organizational performance with r= -.449**, however the independent variable (globalization of technology) shows no significant relation with the dependent variable according to the survey.

Table 4.6 : Correlations between globalization of technology, global sales and global sourcing with organizational performance

		Globalization of Technology	Global Sales	Global Sourcing	Organizational Performance
Globalization of Technology	Pearson Correlation	1	.105	-.268*	-.244
	Sig. (2-tailed)		.414	.034	.054
	N	53	53	53	53
Global Sales	Pearson Correlation	.105	1	-.346**	-.449**
	Sig. (2-tailed)	.414		.006	.000
	N	53	53	53	53
Global Sourcing	Pearson Correlation	-.268*	-.346**	1	.764**
	Sig. (2-tailed)	.034	.006		.000
	N	53	53	53	53
Organizational Performance	Pearson Correlation	-.244	-.449**	.764**	1
	Sig. (2-tailed)	.054	.000	.000	
	N	53	53	53	53

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey, 2022

The finding of the correlation analysis indicated the independent variable global sourcing has a very significant positive correlation with organizational performance. Implying despite the perceived challenges the current practice is having a positive outcome on performance. In contrast Global sales has a moderate negative correlation implicating the current performance an method of practice in regards of global sales has negative consequences on the organizational performance. In conclusion global sourcing relatively has a higher degree of correlation coefficients, which means that NZMPE should enhance global sourcing to further increase organizational performance while they should reorganize or rethink their global sales strategy because it has a negative correlation with NZMPE's organizational performance.

4.1.7 Regression Analysis

This regression analysis is conducted to know by how much the independent variable explains the dependent variable. The regression was conducted between globalized supply chain practices (global sourcing, globalization of technology and global marketing) as independent variable and organizational performance as dependent variable. The results of the regression analysis are presented as follows.

Test for skewness and kurtosis

Normal distribution kurtosis and skewness takes a form of a symmetric bell shaped curve. According to Garson (2012), skewness and kurtosis with range +2 to -2 used to measure normal distribution. It can be noted from table 4.7 below the skewness and kurtosis result shows that there were normally distributed.

Table 4.7: skewness and kurtosis of Anchor statistics						
	N	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Globalization of Technology	53	1.882	.143	.302	-1.432	.595
Global Sales	53	2.238	-.263	.302	-.982	.595
Global Sourcing	53	1.354	-.366	.302	-1.621	.595
Organizational Performance	53	1.34918	.241	.302	-.232	.595
Valid N (listwise)	53					

Source: Own Survey, 2022

Model summary

Talbe 4.8 : Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790[a]	.624	.605	.84767
a. Predictors: (Constant), Global Sourcing, Globalization of Technology, Global Sales				
b. Dependent Variable: Organizational Performance				

Source: Own Survey, 2022

In the model summary below the coefficients R, indicates a very strong correlation of .790 between globalized supply chain practices and Organizational performance. The R^2(also called the coefficient of determination), Value of .624(62.4%) implies relative contribution of globalized supply chain practices in interpreting the organizational performance, the remaining 37.6% of the changes in the change can be attributed to other factors. The adjusted R2 is .605, which implies that globalized supply chain activities can account for 60.5% of the variation in organizational performance. Although there might be many factors that can explain the variable on organizational performance, nearly 60.5% of it is explained by globalized supply chain practices. This means that the remaining 39.5% of the variation in Organizational Performance cannot be explained by those dimensions of globalized supply chain practices.

4.9 ANOVA table of Anchor						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.463	3	23.488	27.154	.000b
	Residual	42.394	49	.865		
	Total	112.857	52			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Global Sourcing, Globalization of Technology, Global Sales						

Source: Own Survey, 2022

4.10 linear regression Coefficients of anchor								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.982	2.081		.953	.345		
	Globalization of Technology	-.029	.059	-.040	-.481	.632	.928	1.077
	Global Sales	-.126	.051	-.210	-2.465	.017	.880	1.136
	Global Sourcing	.679	.087	.681	7.760	.000	.826	1.210
a. Dependent Variable: Organizational Performance								

Source: Own Survey, 2022

The fitness tests indicate the regression test to be valuable

As the Pearson test indicated the regression confirms the hypothesis (H1) Global sourcing has a positive effect on organizational performance, it rejects hypothesis (H2) Globalization of technology has a positive effect on organizational effect. One the other hand for hypothesis (H3) Global sales has a positive effect on organizational performance is rejected because the correlation and regression show that it has a negative correlation.

Global sourcing has a positive significant relation for every global sourcing mean increase the organizational performance mean increases by 0.681. In contrary the mean of organizational performance decreases by 0.21 for each increase in global sales practices

4.2 Descriptive analysis of Supply Chain globalization practices for Faffa

4.2.1 Global Sourcing practices of FAFFA

Table 4.11 global sourcing practices in FAFA

	N	Mean	Std. Deviation
The company applies strategic sourcing for supplier selection and evaluation	84	4.10	.705
The company applies SOP (Standard operating procedures) for procurement	84	4.14	.730
The company uses multiple sources for sourcing globally	84	4.05	.743
Globally sourcing has challenge to the company due to lack of foreign currency	84	4.42	.585
The company has outsourced some business processes	84	2.35	.649
The production process of the company highly relies on globally sourced materials	84	2.36	.652
Globally sourcing adds lead time to the company's business process	84	4.39	.745
Globally sourcing adds value to the company's products	84	4.07	.741

Source: Own Survey, 2022

As the mean value of 4.1 implies the respondents indicated the company applies strategic sourcing for supplier selection and evaluation to a great extent. Which is a key factor when any company starts to source globally because it allows for a cost-effective decisions in regard to sourcing.

The second question for respondents was if the company applies SOP's (Standard operating procedures) for procurement purposes the mean of 4.14 indicates the company applies SOP's to a great extent.

The use of multiple sources for global sourcing has a mean of 4.05 which indicates the company has more than one supplier. This has been confirmed through the interview I had with the administration of Faffa the company multisource because it can be more flexible in times of disruption and can have negotiating power.

The mean 2.36 indicates that the production process relies on globally sourced material to a low extent. This is further supported by the information collected from the interview which shows the company sources only 10% percent of its inputs from global sources.

The majority of respondents believed global sourcing adds value to company products to a great extent which is shown with the mean of 4.07.

However Global sourcing is perceived as challenging to the company due to lack of foreign currency and adds lead time to the company business process this is proved with the mean of the survey 4.42 and 4.39 respectively. From the information gathered through the interview the interviewee's had focused how challenging it is to find foreign currency for importing the input materials due to economic situation of the country which in turn adds lead time to the company's business process. Outsourcing of some business process is implemented to a low extent in Faffa.

4.2.2 Globalization of Technology practices of FAFFA

Table 4.12 globalization of technology in FAFFA

	N	Mean	Std. Deviation
The company uses global industry standard technology for its production process	84	4.37	.788
The company shares technology and knowledge with global partners	84	4.36	.845
The company implements total quality management	84	4.31	.836
The company uses production and inventory management system to reduce cycle times	84	4.13	.861

Source: Own Survey, 2022

The mean value of 4.37 indicates Faffa uses global industry standard technology for production process to a great extent. The interview specifies that the technology the company uses for its production process is up to standard and the machineries are considered industry standard.

A value of 4.13 indicates that company also implements production and inventory management to a great extent to reduce cycle times of its input. The interview specifies more that Faffa implements IT solution for production and inventory management, software's are used.

Faffa shares technology and knowledge with global partners and implements total quality management to a moderate degree the mean value of 4.36 and 4.31 respectively indicates the above. This is further reassured by the interview results which shows that Faffa is ISO 9000:2015 certified which indicates that Faffa implements TQM to a great extent and Faffa is also ISO 22000:2018 certified which is for Food safety and quality certification, that shows the company shares technology and knowledge and adheres to standards set by WFP.

4.2.3 Global Sales practices of FAFFA

The company has global marketing and sales in its strategic plan to a moderate extent which is indicated with the mean value of 3.9 hence the interviews specifies that the company had been reluctant to find global markets before in its days before privatization but know it has integrated exporting its products the companies 10-year plan and the company has been doing market research outside its home country for a global market for its products to a moderate extent which the mean value of 3.69 indicates.

Table 4.13 global marketing practice in FAFFA

	N	Mean	Std. Deviation
Globally marketing and sales is part of the company's strategic plan	84	3.90	.705
The company has done research on global markets for its products	84	3.69	.640
The company has studied infrastructures, trade incentives and barriers of global markets	84	2.89	.695

The company has introduced its products to the global market	84	1.31	.465
The company applies inbound marketing to increase global sales	84	1.80	.757
The company applies outbound marketing to increase global sales	84	1.69	.640

Source: Own Survey, 2022

The company has studied infrastructures, trade incentives and barriers of global markets to a moderate extent while introducing its products to the global market to unsatisfying extent, according to the interview they plan on working on this issue to at least in the coming few year to penetrate the east African market however the company applies inbound and outbound marketing to increase global sales to a very low extent which is indicated with a mean value 1.80 and 1.69 respectively by the survey.

4.2.4 Organizational Performance of FAFFA

The mean value of 3.99 indicate the company has increased its year over year profitability to a great extent. Moreover, the interview has specified the company could have achieved more but was held back due to the world economic crisis and resulting difficulties in sourcing flour. This fact is further reflected on the customer reach year over year question which with the value of 3.96 indicates it is a great extent albeit the administration of Faffa believes considerably more clients could have been reached. This was ascribed to Ethiopia's current security issues which precluded the reach from expanding to large cities that are currently unstable. Organizational efficiency reached to moderate extent of 2.58. Accordingly information gathered through the interview indicates the problem is recognized and Faffa is making significant strides to improve which it hopes will be successful.

Table4.14 organizational performance of Faffa

	N	Mean	Std. Deviation
The company has increased its year over year profitability	84	3.99	.630
The company has increased its customer reach year over year	84	3.96	.451

The company has achieved its organizational efficiency goal of the year	84	2.58	.605

Source: Own Survey, 2022

4.2.5 Correlation for Faffa

4.2.6 Correlations between organizational Performance and Independent variables (Global Souring, Globalization of technology and Global sales)

Table 4.15: correlation table between variables at FAFFA

		Globalization of Technology	Global Sourcing	Organizational Performance	Global Sales 2
Globalization of Technology	Pearson Correlation	1	.314**	.142	.045
	Sig. (2-tailed)		.004	.199	.684
Global Sourcing	Pearson Correlation	.314**	1	.512**	.067
	Sig. (2-tailed)	.004		.000	.542
Organizational Performance	Pearson Correlation	.142	.512**	1	.319**
	Sig. (2-tailed)	.199	.000		.003
Global Sales 2	Pearson Correlation	.045	.067	.319**	1
	Sig. (2-tailed)	.684	.542	.003	
**. Correlation is significant at the 0.01 level (2-tailed).					
b. Listwise N=84					

Source: Own Survey, 2022

The Bivariate Pearson correlation coefficient outcome indicates there is a medium positive correlation between organizational performance and (Global sourcing) (r=.0.512**), the other independent variables (Global sales) have a moderate positive correlation with the dependent variable organizational performance with (r= .319**), however the independent variable (globalization of technology) shows no significant relation with the dependent variable according to the survey.

Therefore, the finding of the correlation analysis the independent variable (Global sourcing and Global sales) are positively related, with the dependent variable organizational performance. Among the two independent variables, global sourcing relatively has a higher degree of correlation coefficients, which means that Faffa should enhance global sourcing and global sales to further increase organizational performance.

4.2.7 Regression Analysis for Faffa

A regression analysis is the determination of relationship between explanatory variables and explained variable, which is used to generate a predicted value or estimates of variables and cause-effect inferences (Wooldridge, 2015; Gujarati, 2003; Campbell and Campbell, 2008). The study takes three explanatory variables, which makes the regression analysis a multivariate regression analysis.

Test for kurtosis and skewness

Normal distribution kurtosis and skewness takes a form of a symmetric bell-shaped curve. According to Garson (2012), skewness and kurtosis with range +2 to -2 used to measure normal distribution. It can be noted from table 4.16 below the skewness and kurtosis result shows that there were normally distributed.

Table 4.16 skewness and kurtosis

	N	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Organizational Performance	84	1.284	-.911	.263	.972	.520
Global Sourcing	84	2.652	-.134	.263	-1.215	.520
Globalization of Technology	84	2.483	-.461	.263	-.868	.520
Global Sales 2	84	1.64994	-.213	.263	-1.421	.520
Valid N (listwise)	84					

Source: Own Survey, 2022

Model summary

In the model summary below the coefficients R, indicates a very strong correlation of .827 between globalized supply chain practices and Organizational performance. The R^2(also called the coefficient of determination), Value of .684(68.4%) implies relative contribution of globalized supply chain practices in interpreting the organizational performance, the remaining 31.6% of the changes in the change can be attributed to other factors. The adjusted R^2 is .663, which implies that globalized supply chain activities can account for 66.3% of the variation in organizational performance. This means that the remaining 31.6% of the variation in Organizational Performance cannot be explained by these dimensions of globalized supply chain practices.

Table 4.17 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827[a]	.684	.663	0.889

a. Predictors: (Constant), Global Sourcing, Global Sales 2, Globalization of Technology

b. Dependent Variable: Organizational Performance

Source: Own Survey, 2022

Table 4.18 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	93.615	3	31.205	57.787	.000[b]
	Residual	43.278	80	0.54		
	Total	136.893	83			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Global Sourcing, Global Sales 2, Globalization of Technology

Source: Own Survey, 2022

Table 4.19 linear regression Coefficients of variables at FAFFA

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	7.974	.934		8.542	.000					
	Global Sales	.223	.071	.286	3.153	.002	.319	.332	.286	.995	1.005
	Globalization of Technology	-.015	.049	-.029	-.300	.765	.142	-.034	-.027	.901	1.110
	Global Sourcing	.243	.046	.502	5.253	.000	.512	.506	.476	.899	1.113
a. Dependent Variable: Organizational Performance											

Source: Own Survey, 2022

The fitness tests indicate the regression test to be valuable

As the Pearson test indicated the regression accepted the hypothesis (H1) Global sourcing has a positive effect on organizational performance, it rejects the hypothesis (H2) Globalization of technology has a positive effect on organizational effect. One the other hand for hypothesis (H3) Global sales has a positive effect on organizational performance is accepted because the correlation and regression show that it has a positive correlation.

Global sourcing has a positive significant relation for every global sourcing mean increase the organizational performance mean increases by 0.502. The mean of organizational performance increases by 0.286 for each increase in global sales practices.

4.3 Findings of the semi-structured interview

The researcher uses the research questions to develop a semi-structured interview for the interviewees from both companies to get a better insight to what globalized supply chain practices are being implemented in the companies and to what extent the effect of this practices is on organizational performance.

As explained above the researcher choose two (2) people from each company's administrative position for the interview. Confidential information where not revealed in the interview. The percentage and numbers mentioned in the interview are approximate number mentioned by the interviewees.

The interview with the administrative staff of NZMPE has revealed insight of the companies globalized supply chain practices especially with global sourcing as it is mentioned in the background NZMPE is an international company the has entered the Ethiopian market in 2005 E.C with the aim of supply multi-nutrient supplemented milk to the Ethiopian, further the company aimed to organize a union of AH because Ethiopia has abundant number of livestock. That will allow the company to produce milk locally and fortify the milk with the essential multi-nutrients, the next step would be to fulfill the Ethiopian market and start exporting the company's products to neighboring countries.

Although these steps were not fulfilled according the plan because of different factors. The current operation of the company is it sources 90% of its input globally, solely it uses its mother company located in Dubai as it's intermediary to source all of it raw material input from milk, enzymes, packaging tin, packaging labels etc... This has led the NZMPE production to be choppy because as the interviewees mentioned that global sourcing needs foreign currency, they mentioned allocating foreign currency corresponding with their demand has been difficult which has led to them on and off production. This has hindered them from achieving their goals. Appearing on the market and disappearing from the market has an influence on their customers, the customers are attracted to other brands forcibly because in time of need of the customer they might not find them on the market.

NZMPE shares information and technology with its mother company even uses **expats** to work in the company, the company has recent industry standard machinery for their production process and the implement ICT for this process, including inventory and warehouse management software.

They even use enterprise software to manage their finances. But this hasn’t helped them alleviate their problem with sourcing and production. Their plan to solve this problem is to produce some of the inputs locally or source locally and start exporting their products to solve their problem with foreign currency. The company has done market research for its product worldwide made its entry to Ethiopia and plans to expand from Ethiopia to the African Market. NZMPE is ISO 22000:2018 certified which is for food safety and quality.

On the other had the interview with the Faffa administrative has reviled that Faffa globally sources 10% of its inputs which by value are 25%, the company sources essential materials not available in the country which are vitamins, enzymes, minerals and premix. Since Faffa products are related to food especially consumed by infants’ quality is of no compromise, the company is ISO 22000:2018 certified and sources this important inputs from multiple sources of a list that has been by WFP. Faffa uses industry standard machineries for its production process and shares the technologies of new systems by learning from the representatives of the company it purchases.

The company also implements ICT for its business process and have been doing so for a while but what the interview has shown is quite the contrary to the survey question which indicated that the company uses production and inventory management system to reduce cycle times to a great extent, but the truth is also the system is available because the work force in Faffa have been there for a long time are in their older age they aren’t communicative with ICT. Faffa has done some market research and even used consultant organization to study the global market, the company has found that its products are indeed marketable. Now the company is trying to introduce its product in the east African market starting from Djibouti. The administrative have said they have sold their products for AO so the AO can supply for war thorn or natural disaster-prone malnutrition children.

Faffa has had a good customer reach increasing it year over year except the past two years when it didn’t achieve its goal since it wasn’t able to access different cities of the country because of security issues. But the company has been enjoying a steady year over profitability increase. Faffa strategy to integrate it's sourcing from the country and globally with a balanced amount needed to run the business process smoothly has helped it gain profit and market share.

Chapter five: Summary of Findings, Conclusions and Recommendations

This chapter presents the summary of findings from which conclusions drawn and that would precisely address the basic research questions of the study and recommendation to the case study companies are forwarded. Finally, limitation of the study and suggestions for further study is indicated.

5.1 Summary of major findings

The descriptive statistics, the regression analysis and the interview of the study are summarized as follows:

- Globalization of supply chain activity is an inevitable process for any organization that wants to stay competitive in the market and span out to global markets. Companies like Faffa and NZMPE have a long operational history, their organizational goals it staying competitive and spanning global markets. The survey has identified the globalized supply chain practices being implemented in this companies. Both companies implement components of global souring to a great extent, with the challenge of allocating foreign currency influencing both companies. Faffa uses multiple sources for its global sourcing needs while NZMPE uses a sole sourcing strategy. The other component the research surveyed is to what extent this companies implement globalization of technology, the survey and interview both indicate that they implement it to a great extent. The third component is Global sales both companies have made market research, introduced their products to global markets but both haven’t made a breakthrough with global sales.

- The association between variables shows that global sourcing has a positive correlation with organizational performance for both companies but global sales has a negative correlation with organizational performance for NZMPE while it has a positive correlation with Faffa. Globalization of technology shows no significant correlation with organizational performance for both companies.

- Finally, the regression analysis of the study indicates the independent variables Global sourcing has a positive effect on organizational performance for both companies while Global sales has a positive effect on organizational performance for Faffa it has a negative effect for NZMPE. Globalization of technology has no significant effect on both companies.

5.2 Conclusion

The study tried to investigate the role of globalization of the supply chain on organizational performance the case of Faffa Food Share Co. and New Zealand Milk Products Ethiopia S.Co (Anchor Milk). According to the results obtained from the analyses, the following conclusions were drawn based on the results of the study:

- Global sourcing has a positive effect on both companies organizational performance. From both the survey and interview the researcher concluded both companies rely on global sourcing for their operation and profitability. Global Sourcing is an essential step for their core process.

- Globalization of technology is an important step for developing countries to catch up to developed countries. Both the surveyed companies have update their manufacturing technology to the industry standard for a long time and according to the survey and interview finding the researcher has concluded that globalization of technology has no significant effect on organizational performance of both companies.

- Global Sales is a stepping stop for any company who aims to have a global presence. Companies design, develop strategies to market and sale their products globally. This take funds, skilled manpower and the actual products. The researcher concluded from the study and interview that Faffa is on the right track with global sales having a positive effect on organizational performance but on the other hand NZMPE expenditure on the above mentioned points with no significant gain is shown by this study and global sales is having a negative effect on its organizational performance.

5.3 Recommendation

Faffa Food share Co. is one of the oldest food companies in Ethiopia. It has moved decades under government leadership until it was privatized which made it possible to expand its presence and products even further. For a company like Faffa to make an impact in providing children in Ethiopia with the necessary nutrition and move to global markets to do this. It has to globalize its supply chain and evolve its strategic business plan in to the 21st century. While on the other hand Fontreaa is an international recognized brand has globalized its supply chain to create a world spanning market but New Zealand Milk Products Ethiopia S.Co (Anchor Milk) is an autonomous organization in its infancy stage that can accesses all the experience the mother company experienced. Based on the result of the study the following recommendation are suggested for consideration.

- Global sourcing is one of the main components of globalized supply chain activities Faffa's strategy to rely on small amounts of input to source globally has been fruitful for the company in achieving it organizational goal Faffa should keep this up, NZMPE although global sourcing has a positive effect, it completely relies on global sourcing, the company should adapt new method to strategizes new plan on sourcing and reduce it dependability on globally sourced inputs to make the production process. Wood et al. (2002), MacCarthy & Atthirawong (2003) argue that it is more difficult to manage global supply chains than domestic supply chains. Dornier et al. (1998) revealed that global supply chains carry risks, such as variability and uncertainty in currency exchange rates, economic and political instability, and changes in the regulatory environment that influence performance. Based on this NZMPE should focus in integrating domestic supply chain into its supply chain.

- NZMPE should revise its global sales plan to turn the funds invested on the global sales practices into profit return and change the negative correlation it has with organizational performance. The company's product has a fairly strong acceptance in Ethiopia this alone is huge market if global sales is achieved with a significant amount of global market the company would reap surplus benefit.

 Faffa also should fasten the current progress on global sales, which shows positive progress, to enjoy early entry of the market in East Africa to hold a significant market and then strategize to conquer Africa.

5.4 Suggestion for further research

Fellow researchers who have an interest of conducting a research on supply chain integration in relation with business performance can add the following points to their research:

 Although, major components of globalized supply chain were mentioned in the study additional components can be examined

 The case study can be the whole processed food industry of Ethiopia so the result can help integrate Ethiopian companies have outstanding GSCM.

 Organizational performance measurements metrics can be broadened to include many aspects of organization.

 And lastly comparative analysis can be done between organizations to take the successful achievements from one organizational and apply it to another similar organization.

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Appendix A

ADDIS ABABA

UNIVERSITY SCHOOL OF

COMMERCE

DEPARTMENT OF LOGISTICS & SUPPLY CHAIN MANAGEMENT

Dear respondent

This questionnaire is designed to undertake research on the title of **"The Role of Globalization of a supply chain on organizational performance: The case of FAFFA FOODS S.C and NEWZEALAND MILK PRODUCTS ETHIOPIA S.C (ANCHOR MILK)"** as a partial fulfillment requirement for M.A degree in Logistics & Supply Chain Management. This information is intended for academic purposes only and will be treated with confidentiality. Please complete all sections of this document. All questions are interrelated and are equally important for the study.

Finally, I would like to thank you for your concern and patience while responding to the questionnaire.

General Instruction:

- Please do not write your name or address on the questionnaire.
- please put a tick (√) mark in the appropriate box of your answer
- Contact address: if you have any question, please contact me through the following addresses

Eyouel Tena

Telephone: 09 91 17 38 35

Email: eyouel.tena@gmail.com

Company Name: Anchor ☐ **FAFFA** ☐

Age ☐ **Sex** ☐

Part One: General Information

A. Level of education

☐ Diploma ☐ Masters

☐ University degree ☐ PHD

B. Department

☐ Procurement ☐ Warehouse ☐ Production

☐ Marketing/sales ☐ Finance ☐ Management

C. Years of experience at the organization:

☐ Under 2 years ☐ 6-10 years

☐ 2-5 years ☐ over 10 years

Part Two: Research questions

Please tick appropriately the extent to which your organization has been practicing the following lean supply chain management components. (Use the scale to tick the most appropriate response)

Use Likert scale

1) **To a very low extent 2) to a low extent 3) to a Moderate extent 4) to a great extent 5) to a very great extent**

I. To what extent does your company apply the following components of Global sourcing and Global marketing practices

Indicators/statement		1	2	3	4	5
Global Sourcing						
1	The company applies strategic sourcing for supplier selection and evaluation					
2	The company applies SOP (Standard operating procedures) for procurement					
3	The company uses multiple sources for sourcing globally					
4	Globally sourcing has challenge to the company due to lack of foreign currency					
5	The company has outsourced some business processes					
6	The production process of the company highly relies on globally sourced materials					
7	Globally sourcing adds lead time to the company's business process					
8	Globally sourcing adds value to the company's products					

Globalization of Technology						
1	The company uses global industry standard technology for its production process					
2	The company shares technology and knowledge with global partners					
3	The company implements total quality management					
4	The company uses production and inventory management system to reduce cycle times					

Global marketing and sales						
1	Globally marketing and sales is part of the company's strategic plan					
2	The company has introduced its products to the global market					
3	The company has studied infrastructures, trade incentives and barriers of global markets					
4	The company has done research on global markets for its products					
5	The company has applies inbound marketing to increase global sales					
6	The company applies outbound marketing to increase global sales					

Organizational Performance						
1	The company has increased its year over year profitability					
2	The company has increased its customer reach year over year					
3	The company has achieved its organizational efficiency goal of the year					

Please specify if any other organization performance measure which FAFFA Food S.C must address in order to improve its performance

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