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School of Commerce

Department of Logistics and Supply Chain Management

**The Effect of Logistics Management Activities on
Organizational Performance; a Case of Awash Wine S.C**

**A Research Thesis Submitted to Addis Ababa University in Partial
Fulfillment of the Requirements for the Award of MA Degree in Logistics and
Supply Chain Management**

By:

Seble Begashaw

Advisor:

Mengistu Bogale(PhD)

June, 2020

Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT

**THE EFFECT OF LOGISTICS MANAGEMENT ACTIVITIES ON
ORGANIZATIONAL PERFORMANCE:
THE CASE OF AWASH WINE S.C**

BY

SEBLE BEGASHAW

APPROVED BY BOARD OF EXAMINERS

Mengistu Bogale(PhD)_____

Advisor Name, Signature & Date

Internal Examiner Name, Signature & Date

External Examiner Name, Signature & Date

Declaration

I hereby declare that the thesis entitled under The effect of Logistics Management activities on the organization performance of Awash wine submitted to the department of Logistics and supply chain department, is an original work of mine under the guidance of my advisor Dr. Mengistu Bogale and the thesis is submitted in the partial fulfillment of the requirement for the award of the degree of Mater of Logistics and supply chain management. The result embodied in this thesis has not been submitted to any other university.

Declared By:

Name: Seble Begashaw

Signature: _____

Date: _____

Place of Submission: School of Commerce, AAU

Addis Ababa, Ethiopia

CONFIRMATION

This is to approve that the study made by Seble Begashaw, entitled: “**The effect of Logistics Management activities on the organization performance of Awash wine**”, and submitted in partial fulfillment of the requirements for the Degree of Masters of Arts in Logistics and Supply Chain Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Signed by: -

Mengistu Bogale(PhD)

Signature; _____

Date; _____

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List of Abbreviations and Acronyms

ANOVA- Analysis of variance

CILT- Chartered institute of logistics and transport

DTI- Department of trade and industry

JIT- Just in time

LMA-Logistics management activities

SC- Supply chain

S.C-Share Company

SPSS- Statistical package for social science

VIF- Variance inflation factor

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Seble Begashaw

Abstract

This paper studied with the objective of assessing the effect of logistics management activities on organizational performance under the five independent variables: Distribution management, Warehouse management, Inventory management, Transportation management and Customer response. Because, most companies had not been able to use effective management of logistics activities, the result tends to lack of achievement on the mission and this had affected negatively the performance of most organizations, therefore, In order for the study to be able to answer the raised hypothesis quantitative data were collected from secondary data. A survey was conducted by using census, which is all of 125 individuals who are working in logistics related departments but 105 respondents only obtained. The researcher used structured questionnaires to collect data. The relationship has tested using Pearson correlation, and the causal relations analyzed using regression analysis. From the result of the analysis, the researcher concluded that the dependent variables have positive and significant influence on Organizational Performance except that of customer response management. The study recommended improving the logistics management practice for a better organization performance

Keywords: Logistics Management activities, Organizational Performance

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The globalization handle empowers the deal of items for the same reason from diverse producers and with distinctive costs. The expanded offer on the showcase has driven to seriously competition and a few of the companies are confronted with the issue of survival. The improvement of data innovation has driven to expanded stream of data around the world, which brought about in improved instruction of makers and buyers (Delfmann and Gehring 2003). The only way for companies to survive is consistent bringing down the cost of items and standard change of item characteristics. Consequently, the persistent seriously improvement of the company is significant to its survival on household and worldwide markets.

Making and supporting a competitive advantage of the company, may be a complex and maintained handle that generally depends on the adaptability and readiness of the company to carry out rapid changes in their forms and to create them speedier than their rivals. The persistent alteration and improvement of the forms is the premise for the company's working within the current conditions, whereas at the same time is one of the key victory variables. In this setting emerges require for application of cutting edge administration hones in all perspectives of the operations of the company, particularly within the supply chain administration, which contributes to expanding competitiveness (Hassini 2008). Logistics Management involves process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements data from point of beginning to point of utilization for the reason of acclimating to client necessities. It comprises the administration of crude materials stream to finished goods products through an organization. Logistics implies Planning and organizing activities that ensure that resources are in place so that the process can be effectuated accordingly in efficient and effective manner (Mellat-Parast and Spillan, 2014).

For wine companies it is increasingly important to integrate logistics processes along the supply chain and to improve the performance of each process to reach a world-class standard.

In arrange to make strides the performance, it has to be measured, so the dentition of a reliable and world-class execution estimation system, and the execution of benchmarking ponders to secure information around the organization's execution related to its competitors and to the pioneers of the industry, is an critical apparatus for coming to world-class guidelines (Frazelle, 2002). Numerous organizations have made strides their Logistics forms execution through the execution of the industry best practice. In any case, small consideration has been given so distant to the performance assessment, and consequently, to the measures and measurements within the wine industry. Benchmarking is the look of those best hones that will lead to the prevalent execution of a company (Camp, 1989). The case company, which is Inundated Wine S.C, may be a driving wine producer within the Ethiopia. Agreeing to the company site, as of now Inundated Wine SC leads the Ethiopian wine showcase, 8 bottles out of 10 devoured are from Awash. In spite of the fact that it had been unchallenged since it was set up in 1944, competition for Awash wine is presently coming from the Castel Vineyard, which prides itself as the third-largest wine maker within the world and the second-largest lager and delicate drinks trade in Africa, has begun creating wine in Ethiopia since Walk 2014)Castel has seven distinctive sorts of items, two white wines and five ruddy wines: Acacia Dry Ruddy, Acacia Medium Sweet Ruddy, Acacia Medium Sweet White and Crack Valley Merlot, Crack Valley Cabernet Sauvignon, Crack Valley Syrah and Crack Valley Chardonnay. The Company puts its generation sum at 900,000 liters. Subsequently, there are numerous things remaining to be done to accomplishment and fulfill the company's items deal objective (Muluken k, 2011).Compelling Logistic management will gotten to be a possibly important way of securing competitive advantage through the moving forward of organizational performance and most companies have been progressively actualizing Coordination Administration Hones (Bratić, 2011). Subsequently, this ponder will look at the impact of Logistics Management Practice on the organizational performance of Awash Wine S.C, Ethiopia.

1.2 Statement of the Problem

Nowadays, companies are faced with increasing competitive pressure, unpredictable market changes and dynamically changing regulations. This evolution also occurs in the logistics service sector (Roth et al., 2013).

Logistics may be a process which interfacing and interact with the complete company and with outside companies, sellers, clients, carriers and more. Logistic management is dependable for the development of items from vendor's right through to the conveyance at customer's entryway, counting moves through fabricating offices, warehouse, third-parties, such as repackages or wholesalers. It isn't shipping and getting, nor is it activity or warehousing. It is more. Logistics must make work successfully. But is troublesome to degree Logistics success and there's troublesome to appear commitment of logistic to the company and the value-added made by implies of logistics. Logistics management is treated as a part of the supply chain management that deals with management of goods in an efficient way. It is the management process that integrates the movement of goods, services, information and capital, right from the sourcing of raw material, to the consumer. The goal of the logistics management is to provide the right product with the right quality at the right time in the right place at the right price to the ultimate customer (Ristovska et al., 2017).

With the help of logistics management, the proper flow of goods or services can be done, so that the needs of the clients can be fulfilled. All the activities such as integration of information, transportation, inventory, warehousing, material handling, and packaging, and often security come under logistics (Mishra, 2014).

Firms adopt different strategies to enhance their performance. According to Bagshaw (2017), logistics management can be one of those strategies crucial for firms to obtain higher performance. Realizing the importance of logistics management was critical for competitive advantage because operational performance had a positive impact on companies' financial performance (Tilokavichai et al., 2012). Considering the high need of effective practices of logistics management for the positive outcome of organizational performance, this was

Investigate the most important variables that can be considered when understanding the effective logistics Management. Lack of empirical studies on the effect of Logistics Management practices on wine factory performance calls for and motivated this study to empirically investigate the effect of logistics practices on the performance of Awash Wine S.c.

1.3 Research Objective

1.3.1 General objective

In the context of the problem highlighted above, the main objective of the study was to examine the Effect of Logistics Management activities on organizational performance of Awash Wine S.c

1.3.2. Specific objectives

In line with the general objective mentioned above, the following specific objectives were developed.

- To examine the effect of Transport logistics activity on organizational performance of Awash wine S.c
- To assess the effect of Inventory management logistics activity on organization performance of Awash wine s.c
- To examine the effect of Warehouse logistics activity on organization performance of Awash wine s.c
- To assess the effect of Customer response logistics activity on organization performance of Awash wine s.c
- To examine the effect of Distribution logistics activity on organization performance of Awash wine s.c

1.4 Research Hypothesis

H1: Transportation logistics activity has significant effect on the performance at Awash wine s.c

H2: Inventory management logistics activity has significant effect on the performance at Awash wine s.c

H3: Warehouse logistics activity has significant effect on the performance at Awash wine s.c

H4: Customer response logistics activity has significant effect on the performance at Awash wine s.c

H5: Distribution logistics activity has significant effect on the performance at Awash wine s.c

1.5 Significance of the study

The significance of the study can be seen from different perspectives. Firstly, the study had significance for Awash Wine S.c to see the connection between logistics activities and organizational performance which in turn help the company to give emphasis for its logistics activities to enhance its organizational performance.

The study finding had help scholars to add more knowledge on the area of the activities of logistics management. Consequently result of this study, will serve as a framework to enable companies to the effective and efficient flow of goods and service and the acquired information will ensure informed decision and creates meaningful awareness among the concerned body about the proficient management of logistics.

Finally, for future studies on such areas, it gives a comprehensive starting point for further research on the effect of logistics activities.

1.6 Delimitation of the study

This study focused on the effect of logistics management activities on organizational performance of Awash Wine S.c. The dimension of the study was also delimited to the logistics management activities of customer response logistics activity, warehouse management logistics activity, inventory management logistics activity, transportation management logistics activity and distribution management logistics activity regarding organization performance, the study was delimited to organization performance

1.7 Organization of the study

This study is organized into five chapters. The first chapter introduces the background of the study, research hypothesis and the objectives of the project. Besides, it states the motivation of doing this study and it includes limitations and delimitations of the study.

Chapter two is studied related literatures in the areas of logistics management and firm 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 Awash wine s.c Finally, the researcher gave her view on future research direction.

CHAPTER TWO

LITERATURE REVIEW

This chapter of the study focuses on review of relevant conceptual issues, theoretical literature review, empirical review and conceptual frameworks related to the topic of the study. This chapter also covers topics related to Logistics management, builds on logistics management activities and organizational performance by focusing on previous researches in this area and present reviewed literature relevant to this study.

2.1 Theoretical Literature Review

The literature shows the existence of different theories related to the function activities of logistics management.

2.1.1 Logistics Management

There has been altering within the way commerce is conducted nowadays. Due to the improvement in innovation, the Logistics management has gone and extended more noteworthy importance in doing commerce. Logistics Management is treated as a portion of the supply chain administration that bargains with administration of merchandise in a proficient way. It is the administration handles that coordinating the development of merchandise, administrations, data and capital, right from the sourcing of crude fabric, to the shopper (Springinkle & Wallenburg, 2012). The objective of the logistics management is to supply the correct item with the proper quality at the proper time within the right put at the proper cost to the extreme client (Mentzer et al., 2004). Logistics management has been defined as a high priority for contemporary organizations. The success of logistics management is determined through the combination of efficiency, effectiveness, and differentiation (Fugate et al., 2010). Eventually, supply chain management measures through procrastination affect price/cost, product's quality, innovation (Mamad & Chahdi, 2013)

Logistics was originally used as a military term which defined as "a branch of military science having to do with producing, maintaining and transporting materials, personnel and facilities. (In Oxford English Dictionary).

However, with the times goes by, in the modern days, it's used in a business term. Department of trade and Industry (DTI) and the chartered institute of logistics and transport (CILT) mentioned that the objective task of logistics is to distribute right products with exact quantity and quality and moving it at the proper time to the right place with the right balance cost (DTI 1993, CITL 2010).

The US based board of supply chain administration experts gives the definition of Logistics management “ Logistics management is portion of SCM that plans, execute, and controls the proficient, compelling , forward and invert stream and capacity of products, administrations, and related data between the point of beginning and the point of utilization in arrange to meet customers' requirements. Megan also stated ‘8Rs’ of logistics in his book, namely the right way, the right product, the right quantity, the right place, the right quality, the right time, the right customer and the right cost(Megan 2008:9). According to the above, it is obviously to understand that the procedure of logistics management is to make distribution more effectiveness, cost down the expenses in distribution and stock volumes and decrease damage and waste of goods.

Moreover, with the culminate application on logistics management, it'll be much less demanding to oversee the quality of items, give superior service to clients additionally more adaptable to bargain with a possibility or crisis.

2.1.2 Logistics Management activities

Logistics function includes material planning, purchasing goods or supplying raw materials, internal transportation, warehouse (Storage) and physical distribution. Material requirement planning is also known as a micro level of managing inventory (Weele, 2002). It starts with schedule a sales plan in the sales department and the pan is an estimate of the quantities that will or can be sold in the forthcoming periods. MRP in logistics management may help organizations to posse's inventory volume and also can assist the manufacturing planning, purchasing and delivering the following steps.

Purchasing in today is taken a broader view by many researchers as “Managing the supply” of materials, services and information (Gundlach et al., 2006). In other words purchasing is no longer just blindly purchase but need to manage and consider about the supply.

Furthermore, in Babbar and Prasad's (1998) work, they also mentioned that the production environment, costs and international business environment are related to purchasing issue.

In transportation part, transport is a main activities in logistics which concern in time and place utility (Coyle et al., 1996) cited by Stefansson, 2005). In logistics, warehouse operation also one of an important section which provides a place for storage products such as raw materials, components, processing goods and finished goods between origin and consumption points (Lambert et al, 1998 cited in Stefansson, 2005). In other words, warehousing includes receive, store, ship and pick up the goods in addition, Stefansson's mentioned that DC (Operation of distribution centers) is another term which usually used in association with warehousing. The difference between warehousing and operation of DC is that DC focuses on receiving and shipping as an essential activity. Lambert et al. 1998, cited in Stefansson, 2005) indicated DCs only carry smaller quantity and fast-moving products; however, warehouses hold large ones, physical distribution.

I) Warehouse Management

Warehouse management is the control of the day-to-day operations of a warehouse, such as the shipping, receiving, put-away and picking of goods. The term is sometimes used interchangeably with the 'stock control' or 'inventory control'. However, we would argue that they differ in a number of respects.

Warehousing is the last of the five logistics activities because good planning in the other four activities may eliminate the need for warehousing or may suggest the warehousing activity be outsourced. In addition, a good warehouse plan incorporates the needs of all the other logistics activities. Good or bad, the warehouse ultimately portrays the efficiency or inefficiency of the entire supply chain. The objective of warehousing is to minimize the cost of labor, space, and equipment in the warehouse while meeting the cycle time and shipping accuracy requirements of the customer service policy and the storage capacity requirements of the inventory play. The logistics of warehousing includes receiving, storage, order picking, and shipping. Such activities will directly affect the effectiveness of service provider including quality of logistics service (Ensermu, 2013).

Warehouses have always been paid a great deal of attention from managers due to the large potential impact it can have in creating customer value. Like most areas the key objectives for managing warehouses have changed over time to create additional competitiveness. The first objectives within warehousing related to maximizing the utilization of resources within the warehouse. The more expanded concept inventory control aimed to maximize profits while providing good customer service (Tompkins & Smith, 1998). The objective of present warehouse management is to efficiently and effectively organize the processes in a warehouse (Faber, 2013), i.e. it encompasses both the objectives of inventory control and warehousing.

Warehousing is however a correlation between logistics cost and good customer service; the higher customer service a company aims for, the greater logistics costs one can expect, which is one of the greatest trade-offs companies face in warehouse management (Van Den Berg, 2012). Similar reasoning is presented by (Gwynee Richards, 2011) in his illustration of warehouse management trade-offs. (Tewodros, 2016)

II) Inventory Management

Besides the various activities associated with a lean supply chain, many firms across the world are always finding different methods and techniques to reduce their investments in inventory, because it is indirectly taxing on the profitability of the firm. Inventory management is a strategic area in logistics operation and has an impact of efficiency and effectiveness of the overall supply chain system. Whilst inventories provide some security against fluctuations in the level of customer demand, there is concern that they may reduce the ability of supply chains to respond to changes in the nature of demand. Inventories in the international supply chains may therefore act as a buffer against one risk whilst increasing another type of risk. Etienne (2005) lists factors such as speed to the market for new products, responsiveness to market niches, and feedback time for quality issues. Harrison and Van (2008) have put forward inventory reduction strategies such as: reduction of production lead times, product postponement, total cycle time, compression, centralization of inventory and the virtual warehousing concept. Managing all kinds of assets in an organization can be viewed as an inventory problem.

Inventory Management could be a component of SCM that includes overseeing non-capitalized resources, or stock and stock things. Particularly, “Inventory Administration administers the

stream of products from makes to distribution centers and from these exercises to point of deal. “Thus, stock administration pivots on point by point records of items or parts as they enter and take off stockrooms and point of deal Inventory management is considered as major concerns of every organization. In Inventory holding, many steps are taken by managers that result a cost involved in this row. This cost may not be constant in nature during time horizon in which perishable stock is held. To investigate on such a case, Taygi (2014) proposes an optimization of inventory model where items deteriorate in stock conditions.

Concurring to (Girma, 2006) the inventories are materials / assets of any kind having a few financial esteem, anticipating change or utilize in future. Stock is the key issue to supply chain organization successes.

Clients request that their orders be transported total, precise and on time. This means having the right stock at the proper put at the right time. Nowadays the center is on retailers and their dissemination administrations. Stock points to decrease costs and at the same time make strides benefit.

In this way it has to be diminish costs as against making strides benefit gets to be the key issue and the role-played by effective stock administration is getting to be more clear. Stock is basic to supply chain administration since it specifically impacts both fetched and service. Certain sum of inventory is definitely required some place within the chain to supply satisfactory benefit to the conclusion client, as request is generally questionable and it takes time to create and transport item. Increasing supply chain inventories typically increases customer service and consequently revenue, but it comes at a higher cost. Today, inventory investment is viewed as a supply chain cost driver rather than a material asset. Holding stock for inventory requires investment of large capital. Any choices around stock have coordinate connection to back the trade and logistics procedures. Logistics technique centers on moo costs to create stock possessions as productive as conceivable. Stocks have a clear vital impact on an organization affecting long-term choices. But the strategic effect on of stocks contains a clear impact on the organization’s benefit.

III) Transportation Management

Transport management is the arranging, controlling and choice making on operational region of logistics that geologically moved and situated stock (Bowersox, Closs, & Cooper, 2010). Since of its essential significance and obvious taken a toll, transportation had customarily gotten significant administrative consideration and nearly all endeavors, huge and little, had supervisors capable for transportation (Bowersox, et al., 2010). Transportation possessed one-third to two thirds of the sum within the logistics costs subsequently transport administration impacted the execution of logistics framework monstrously (Bowersox, et al., 2010). Transporting is required within the whole production strategies, from fabricating to conveyance to the ultimate buyers and returns. As it were a great administration and coordination between each component would bring the benefits of logistics to a most extreme.. A great transport management in logistics exercises might give superior logistics effectiveness, decrease operation taken a toll, and advance benefit quality on firms (Bowersox, et al., 2010). From the calculated framework point of see, three components were principal to transportation execution: taken a toll, speed, and consistency (Bowersox, et al., 2010). The fetched of transport is the installment for shipment between two topographical areas and the costs related to keeping up on-transit stock. Calculated frameworks utilized transportation that minimized add up to framework fetched (Bowersox, et al., 2010). Agreeing to Bowersox, (2010) speed of transportation was the time required to total a particular development. Speed and fetched of transportation were related in two ways. To begin with, transport firms able of advertising quicker conveyance regularly charged higher rates for their administrations. Moment, the quicker the transportation benefit was, the shorter the time interim amid which stock were on travel and the higher the charges (Bowersox, et al., 2010). Thus, a critical aspect of selecting the most desirable method of transportation to a firm is to balance speed and cost of service.

As per the definition of Wikipedia.org Transportation is the movement of humans, animals and goods from one location to another. In other words, the action of transport is defined as particular movements of an organism or thing from a point A to point B. Modes of transport include air, land (rail and road), water, cable, pipeline and space. The field can be divided in to infrastructure, vehicles and operations. Transport enables trade between people, which is essential for the development of civilizations.

Transportation possessed one-third to two thirds of the sum within the logistics costs consequently transport administration impacted the execution of logistics framework gigantically. As it were a great administration and coordination between each component would bring the benefits of logistic to a greatest. A great transport administration in logistics exercises may give way better logistics effectiveness, decrease operation fetched, and advance benefit quality on firms (Bowersox, et al., 2010).)Transportation plays a key part within the supply chain, since without the effective development of wrapped up goods and crude materials the complete framework would not be able to work at its full potential. Transportation is the foremost critical sub-function of logistics that makes time and put utility in products. Transportation frameworks and strategies are required in nearly each logistics action. On the off chance that indeed clients and firms might make trade less demanding through e-commerce and Web, physical conveyance still depends on the transportation framework to wrap up the operations (Daniela and Ovidiu, ND:35)

IV) Distribution Management

Distribution management is an indispensably portion of the bigger universe of logistics and supply chain administration. Distribution management incorporates determining, transportation, warehousing, and conveyance. These require exact following, genuine time data, and exceedingly talented staffing to execute successfully. Whereas persistently confronting a range of factors in their every day trade, conveyance directors are charged with settling the three crucial address like when, where and how much (Brwilliams,2019).For any organization to be compelling there ought to be viable conveyance management prepare to communicate wrapped up items from the producer to the ultimate shoppers. Usually since without dispersion the leading item will not be conveyed and the showcasing blend will break down and fall flat. As a result of this, firms are progressively receiving supply chain administration to diminish fetched, increment advertise share and deals, and construct strong client relations (Ferguson 2000).Supply chain management can be seen as reasoning based on the conviction that each firm within the supply chain specifically and by implication influences the execution of all the other supply chain individuals, as well as eventually, generally supply chain execution (Cooper et al, 1997). The successful utilize of this logic requires that utilitarian and supply-chain accomplice exercises are

adjusted with company methodology and harmonized with organizational structure, forms, culture, motivation and individuals (Abell,1999).

Distribution channel comprises of a bunch of people or organizations that help in getting the item to the proper put at the proper time. Conveyance plays a imperative part, essentially since it eventually influences the deals turnover and benefit edges of the organization. In case the item cannot reach its chosen goal at the suitable time, at that point it can dissolve competitive advantage and client maintenance. (September, 2013)

V) Customer Response

Customer satisfaction measures how well the desires of a client concerning a item or benefit given by a company have been met. Customer satisfaction is unique concept and includes variables such as the quality of the item, the quality of the benefit given, the climate of the area where the item or benefit is acquired, and the cost of the item or benefit. Businesses regularly utilize Customer satisfaction overviews to gage Customer satisfaction. These studies are utilized to assemble data around Customer satisfaction. Commonplace zones tended to within the overviews incorporate, Quality of item, Esteem of item relative to cost - a work of quality and cost, Time issues, such as item accessibility, accessibility of deals help, time holding up at checkout, and conveyance time, Air of store, such as cleanliness, organization, and pleasant shopping environment. There are numerous conferences and papers concerning Customer satisfaction and how it can be moved forward from a promoting see. These days it may be a beyond any doubt thing that Customer satisfaction has numerous angles and isn't fair connected to the quality and the costs of the item (Kristianto et al., 2012; Meybodi, 2015). Customer satisfaction is connected closely with mental capital relationship which could be a nonlinear field of number (Bratianu, 2009).It has been discovered, in specific, that a calculated measurement is critical in client fulfillment. Lai and Cheng (2009, p. 111), said for occurrence, its interface to the capacity to convey the correct amount of right item, at the right place, at the right time, within the right condition with the correct data. 25 years ago, a few analysts appeared a positive relationship between Customer satisfaction prerequisites and conveyance and logistics solutions (Sharma et al., 1995; Choi and Eboch, 1998; Cermak et al., 2011; Beamon, 1999). Cermak et al. (2011) indeed talked about the truth that client's can take part within the detail and conveyance of the administrations. In this sense, providers got to respond to customer's demand in a timely

manner increasing their abilities to master all the processes including the logistic ones. Logistics has been defined as being a very important tool for integrating the internal operations of an organization with the supply chain processes to increase customer satisfaction. For instance, Bowersox et al. (2002) investigated all the supply management processes which can affect logistics and customer satisfaction and reported that a logistical value proposition and logistics have a big impact on

customer satisfaction leveraging on arrange handling, stock administration, transportation, taking care of and bundling and generation, as well as office arrange plan Zhang et al. (2005) illustrated a quantitative request carried out in US mechanical organizations that logistics flexibility may be a principal prerequisite for reacting to changing client needs

2.1.3 Logistics Management activities and Organization performance

Because it is briefly talked about by (Moses Toroitich kirui and Mr. Richard Nondi sep 29, 2017) The performance of an organization is assessed by how it decrease cost or increase value. Firms' execution observing is imperative; in numerous businesses, the supply chain speaks to generally 75 percent of the working budget cost Palevich,(1999). Three common measures of performance are utilized when assessing execution: productivity, responsiveness, and viability Chase et al., (2001). Proficiency infers minimization of add up to framework wide costs from transportation and dissemination to inventories of crude materials, work in prepare (WIP) and finished goods. To be efficient, firms ought to utilize procedures pointed at making most noteworthy taken a toll productivity and for such efficiencies to be accomplished, non-value including exercises ought to be disposed of, economies of scale sought after and optimization methods conveyed so as to induce the finest utilization capacity. To be responsive implies guaranteeing that customers' needs/demands are gone to at the proper time without delays. In arrange to realize responsiveness, the firms ought to be adaptable to the changing and assorted needs of the clients additionally build to arrange and mass customization forms as a implies to meet the particular prerequisites of the clients. Adequacy on the other hand implies doing the correct thing at the proper time. Firms ought to guarantee that they do sufficient investigate to know what their clients require and ought to moreover get the correct assets so as to serve their clients palatably Janat, (2009).Organizational performance can subsequently be best measured through

operational fetched lessening and client benefit conveyance levels. As more producers battle with worldwide markets, competition from moo fetched provinces and floundering domestic economies, the consideration of numerous producers and retailers have actually turned to fetched and squander decrease. It is in this manner exceptionally vital to get it the most excellent taken a toll decrease methodologies, and recognize the most taken a toll drivers in a firm's operations. Whereas self-evident need for taken a toll lessening emerges, the reality is that numerous firms don't know where most of the fetched of a product happens. It is additionally similarly vital to get it the overhead structure, as this will offer assistance to distinguish unreasonable motivating forces which will influence afterward choices(Meeker and James), (2004)

2.2. Empirical Literature Review

A research conducted by Natashe Ristovska, Sasho Kozuharou and Vladimir Petkovski with the title of the impact of Logistics Management practices on organizational performance, the results indicate that accurate, relevant and timely information from inside and outside the company enables appropriate and timely decision making. To this end, it is complete management information is necessary, relevant data selection and control, rapid transmission and proper use. The exactness of information maintains a strategic distance from making unseemly choices and superfluous costs, and in the event that the data is chosen in arranges of significance at that point the time required for preparing such information will be shorter and will permit rapidly making vital choices. Electronic databases give get o data anytime and a plausibility of utilization in any worldly and spatial separate when opportune choices are basic to the company, and hence lead to a diminishment of add up to costs whereas expanding its victory. Subsequently, the logistics exercises are critical to the modern companies, picking up them more esteem relative to their costs. The logistics management is the zones where companies ought to pinpoint and move forward in arrange to be between the foremost fruitful companies on the market.

Ruto and Datche(2015) consider on calculated variables impacting port performance taking Kenya port Specialist as a case think about. They consider utilize study inquire about plan and utilizes expressive measurements investigation and rundowns the causes of destitute execution within the port of Mombasa agreeing to this discoveries: long traditions clearing methods, fast development of holder exchange, visit break down of Kenya Income Specialist and Kenya Ports

Specialist, IT Frameworks, moderate entryway out handle and moderate holder off-take to Holder Cargo and other logistics activity

.Investigate conducted by Kunadhamraks and Hanaoka (2008) entitled “Evaluating the logistics performance of intermodal transportation in Thailand “. This ponders utilized Fluffy set hypothesis beneath Fluffy - handle pecking order investigation and Fluffy - multi criteria examination. In which the past is utilized to recognize relative centrality between qualities (calculated fetched, benefit quality, unwavering quality, and security) in arrange to level progression whereas the last mentioned is utilized to survey the discernment of logistics management from execution through legitimate task of numerical values. He comes about analyzed utilizing these two strategies demonstrate that the need of intermodal coordination limits the intermodal fascination framework and this result appears transportation on arrive (trucks and holders) is favored over trains and conduits.

Kumsa 2018, on his think about of the impacts of Logistics activities on organizational execution case ponder on Modjo dry port. Based on the discoveries displayed, the takings after conclusions are drawn 1) Four logistics activities are recognized from relationship investigation. These are Transportation management, inventory management, Distribution management and customer response. These four factors were critical and positive relationship with organizational performance. Transport administration was essentially and positive impact on organizational performance. Transportation management and inventory management are the foremost basic exercises for organizational performance. Organizational performance is dependent variable and independent variables were that there's rate of varieties in execution clarified by the inventory management and the coefficient for inventory management develop was significant. Despite literature has outlined Warehouse management was a negative effect on organizational performance and customer response as one of the important activities for organizational performance, the study indicated that it is insignificant predictor of organizational performance.

2.3. Conceptual Framework

To study the relationship between logistics management activities and organization performance of Awash wine s.c, a conceptual framework is necessary to develop on how the relationship correlated and the direction between the pairs

Independent variables

Logistics management activities

Transportation Management

Distribution Management

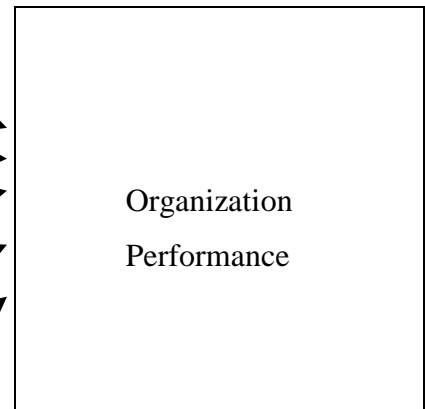
Warehouse Management

Inventory Management

Customer Response

Dependent Variable

Organization Performance



Source: Fig 2.1, Conceptual framework of the study: Modified and adapted from (Sharon Gitonga, 2017)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research problems have been formulated in clear cut terms; the researcher has prepared a research design i.e. she had to state the conceptual structure within which research would be conducted. The function of research design is to provide for the collection of relevant evidence with minimal expenditure of effort, time, and money. Kothari (2004). The major objective of this study was to assess the effect of logistics management activities on organizational performance. The research problem was tends to be explanatory which seeks to explain the effect of logistics management activities and performance of the organization. Therefore, the researcher used explanatory research design.

3.2 Research Approach

Quantitative approach is the generation of data in quantitative form which can be subjected to rigorous quantitative analyses in a formal and rigid fashion. Kothari (2004)

As said by Creswell (2005), 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. Quantitative method is a study involving analysis of data and information that are descriptive in nature and qualified (Sekaran, 2003). Quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge (Creswell, 2009).

Therefore, the researcher used quantitative research to measure the effect of independent variables Logistics Management Practice on the dependent variable (Organizational Performance) through collection of quantitative data from the employees of Awash Wine S.C.

3.3 Target Population

In this study, the population elements are the employees of warehouse, distribution, fleet management, inventory management and customer relation working units of the company. Since the information required for the study needs different people who have knowledge and experience about different Logistics management activities, dimensions, and organizational performance of the organization. The total number of employees in these working units is 125, because of the number of population, the researcher goes for census but the researcher obtained 105 respondents. The number of respondents in each section unit/department is as follows:-

Table 3.1 No. of respondents in each department

S.no	Department	No. of respondents
1	Transportation/Fleet management	28
2	Marketing/Sales management	23
3	Warehouse management	19
4	Procurement management	18
5	Supply management	17
Total		105

Source: - own survey result 2020

3.4 Data analysis method

Analysis of data in this research was used by statistical tools like regression and correlation models. Regression analysis (Multiple Regression) used to know by how much the independent variable i.e. Logistics Management Activities explains or influences the dependent variable which is Organizational Performance.

Pearson's correlation analysis also conducted to measure the strength of the association between Logistics Management Practice dimensions and Organizational Performance. In addition, descriptive analysis (tables, mean and standard deviation) has been used to analyze Logistics Management Practice and for the demographic factors such as respondent's educational qualification, position, experience within the organization and department. Data analysis was performed by using SPSS software.

3.5 Ethical Consideration

To make free and informed the respondent's, it was mandatory to give full information regarding the purpose of the study and researcher's state of position and responsibility. So that respondents were Confident that the information provided by them is not to be disclosed and used exclusively for academic purpose. In addition, they are advised not to mention their personal reference in the questionnaire to lessen the biasedness of the response

Exclusive citation for different research studies, articles and textbooks used as a reference in the study. Such action helped the respondents to evade dishonesty and not to cause harm of any body by any action of the study. According to (Saunder et.at., 2012) it consists of an alpha coefficient with a range of 0 and 1. Above 0.7 value indicates an ideal result

3.6 Validity and Reliability

Validity of an instrument is obtaining the data it tends to collect. Validity indicates the degree to which the instrument measures what it is supposed to measure (Kothai, 2004). To preserve validity of the instrument, most of the questionnaire adopted from previous research with a minor modification

Reliability measures of internal consistencies and has to do with the accuracy precision of a measurement procedure. Also concerned with item responses consistent across constructs and indicate scores are stable over time when the instrument is administered. In order to measure the instrument Cronbach's coefficient alpha was done. According to (Saunder et.at., 2012) it consists of an alpha coefficient with a range of 0 and 1.Above 0.7 value indicates an ideal result.

The following table shows the summary of reliabilities of all constructs.

3.2 Reliability test

	Variable Name	Cronbach's Alpha	# of item
1	Transportation Management	.890	5
2	Inventory Management	.897	5
3	Warehouse Management	.874	5
4	Customer response	.861	6
5	Distribution Management	.852	5
6	Organizational Performance	.835	5
7	Overall	.973	31

Source: Respondents opinion analyzed using SPSS version 23

The above result shows the existence of internal consistency between all the independent and dependent variables. Before undertaking the questionnaires, the researcher conducted pilot survey to ensure reliable data.

CHAPTER FOUR

DATA PRESENTAION, ANAYSIS AND DISCUSSION

4.1. Introduction

This chapter presents analyses of data gained from the respondents and findings discussed on the relationship between logistics management activities with the performance of Awash wine s.c To analyze and interpret the result of the study, descriptive and inferential statistics were used. The developed questionnaire were ranging scale from five to one, where 5 represents strongly agree, 4 agree, 3 neutral, 2 disagree and 1 strongly disagree.

From the distributed 125 questioners, 105(84%) were obtained which is due to Covid-19, it was impossible to collect the distributed questioner. The collected data were presented and analyzed by SPSS version 23 statistical software.

The study also used regression analyses to know by how much the effect of independent variable on dependent variable. Pearons’s correlation analyze conducted to measure the degree of the association between logistics management practices dimensions and organization performance.

4.2. Demographic information of the respondents

In the following table the respondent’s demographic information is presented which gender, age, job title, experience and departments are analyzed on the table as follows

Table 4.1 Demographic information

S.no.	Respondent Profile	Choice	Frequency	Percentage	Cumulative%
1	Gender	Male	66	62.9	62.9
		Female	39	37.1	37.1
		Total	105	100	100
2	Educational Qualification	Grade 12 Completed	3	2.9	2.9
		Certificate	9	8.6	8.6
		Diploma	38	36.2	36.2
		1 st Degree	38	36.2	36.2
		2 nd Degree &above	17	16.2	16.2

		Total	105	100	100
3	Job title	CEO/President	1	1	1
		Department Manager	9	8.6	8.6
		Director/Manager	8	7.6	7.6
		Team leader	19	18.1	18.1
		Expert	15	14.3	14.3
		Officer	53	50.5	50.5
		Total	105	100	100
4	Experience	Under 1	9	8.5	8.5
		1 to 5	31	29.5	29.5
		6 to 10	48	45.7	45.7
		Over 10	17	16.2	16.2
		Total	105	100	100
5	Department	Transportation/Logistic	28	26.66	26.66
		Marketing & sales	23	21.90	21.90
		Procurement	19	18.09	18.09
		Warehouse	18	17.14	17.14
		Supply	17	16.19	16.19
		Total	105	100	100

Source: Own Survey result 2020

Regarding gender of the respondents, majority (62.9 %) of respondents was male and (37%) were female. This shows a good representation of gender. The education qualification shows both diploma and first-degree holders fall in (36.2%), (17%) of respondents are Second degree and above and the rest (12%) of respondents are below diploma. According to the response, reliable and valid information acquired from respondents. Concerning the job position of the respondent's majority of (50.5%) were officers, (18.1%) team leaders, (14.3%) experts and the rest (18%) were in a managerial position. According to the result majority of the respondents were officers who are engaged in a day to day logistics activity which they have good knowledge about logistics related task.

Regarding work experience of respondents, the majority (45.7%) of respondents are between 6 to 10 year followed by (29.5%) between 1 to 5 year, (8.5%) are under one year and (16.2%) are over 10 year. The result implied majority of respondents have average five years service year so they have enough knowledge and experience about the organization. From the department composition logistics and marketing department respondents are (24%) followed by warehouse and procurement (17.1%) and the rest (16.2%) from supply chain department. The result implied a balanced composition of department to have a valid response from logistics management practice variables

4.3 Descriptive Analyses

(Mesfin2016) used a kind of rule of thumb to create equal intervals for a range of five points Likert scale (that ranges from strongly disagree to strongly agree in the survey questionnaire). A calculated mean value that ranges from 1 to 1.8 implies strong disagreement, a mean range from 1.81 to 2.6, from 2.61 to 3.4, from 3.41 to 4.2 and from 4.21 to 5.00 represented respondents perception of somewhat disagree, neutral, somewhat agree and strongly agree respectively.(as cited on Girma, 2018)

The 0.8 served as a boundary for each elements of the measurement in the questionnaire. Accordingly, the 0.8 was a result found by dividing the difference between the maximum (5) and minimum (1) scores to the maximum score (5) of the questionnaire. In the process of examining of the data, standard deviation was used. Small standard deviations

(Relative to the value of the mean itself) indicate that data are close to the mean whereas a large standard deviation (relative to the mean) indicates that the data points are distant from the Mean. Standard deviation is a measure of how well the mean represents the data (Field, 2009).

Table 4.2 Descriptive statistics

Variable	N	Mean	Std. Deviation
Transport Management	105	3.5029	.76416
Inventory Management	105	3.4305	.77050
Warehouse Management	105	3.4057	.72720
Customer response	105	3.4333	.62838
Distribution Management	105	3.3600	.67619
Organization Performance	105	3.4838	.60114

Source: Respondents opinion analyzed using SPSS version 23

As shown in the table 4.2, the group means of Transportation Management shows that 3.51 mean value. The group mean value indicates that the overall perception of the respondents on this dimension is agree. A calculated mean value ranges from 3.41 to 4.2 implies agreement. Standard deviation shows that how diverse are the responses of respondents for a given construct. High Standard Deviation means that the data are wide spread, which means that respondents give variety of opinion and the low standard deviation means that respondents express close opinion. Transport management dimensions have scored 3.50 grand mean and 0.76 Standard deviation. The overall mean shows perception of respondents about Transportation Management is agreed. From the table 4.2 shows the descriptive statistics of Inventory Management dimension, shows that 3.43 mean value. The group mean value indicates that the overall perception of the respondents on this dimension is agree since a calculated mean value ranges from 3.41 to 4.2 implies agreement. . Standard deviation shows that how diverse are the responses of respondents for a given construct. High Standard Deviation means that the data are widespread, which means that respondents give variety of opinion and the low standard deviation means that respondents express close opinion.

Inventory Management dimensions have scored 3.43 grand mean and 0.77 standard deviation. The overall mean shows perception of respondents about Customer Relationship is agreed.

As shown in the table 4.2, the group mean of Warehouse Management shows that 3.40 mean value. The group mean value indicates that the overall perception of the respondents on this particular dimension is agreed because a calculated mean value ranges from 3.41 to 4.2 implies agreement. Standard deviation shows that how diverse are the responses of respondents for a given construct. High Standard Deviation means that the data are wide spread, which means that respondents give variety of opinion and the low standard deviation means that respondents express close opinion. Warehouse Management has scored 3.40 grand mean and 0.72 standard deviation. The overall mean shows perception of respondents about Warehouse Management is neutral as a rule of thumb a calculated mean value that ranges 2.61 to 3.4 implies neutral

For Customer Service Management dimension, as shown in the table 4.2 the group mean shows that 3.43 mean value. The group mean value indicates that the overall perception of the respondents on this particular dimension is agree as a rule of thumb a calculated mean value that ranges 3.41 to 4.2 implies agreement. Standard deviation shows that how diverse are the responses of respondents for a given construct. High Standard Deviation means that the data are widespread, which means that respondents give variety of opinion and the low standard deviation means that respondents express close opinion. Customer service Management dimensions has scored 3.43 grand mean and 0.63 standard deviation. The overall mean shows perception of respondents about Customer service management is agreed.

As shown in the table 4.2, the group mean of Distribution Management shows that 3.36 mean value. The group mean value indicates that the overall perception of the respondents on this dimension is agree.

Standard deviation shows that how diverse are the responses of respondents for a given construct. High Standard Deviation means that the data are wide spread, which means that employees give variety of opinion and the low standard deviation means that employees express close opinion. Distribution management dimensions have scored 3.36 grand mean and 0.67 standard deviation. The overall mean shows perception of respondents about Warehouse Management is neutral.

As shown in the table 4.2, the mean of Organizational Performance is agreed. Standard deviation shows that how diverse are the responses of respondents for a given construct. High Standard Deviation means that the data are widespread, which means that respondents give variety of opinion and the low standard deviation means that respondents express close opinion. Organizational Performance dimensions have scored 3.48 grand mean and 0.60 standard deviation. The overall mean shows perception of respondents about Organizational Performance is agreed as a rule of thumb a calculated mean value that ranges from 3.41 to 4.2 implies agreement.

4.4. Correlation Analysis

Correlations are the essential and useful measurement of relationship between variables. Therefore the correlation result of the study within the range of 0.01 to 0.31, in the range of 0.30 to 0.70, in the range of 0.70 to 0.90 and in the range of 0.90 to 1.00, their relationship considered small, moderate, large and very large respectively Marczyk et.al (2005)

Table 4.3 Correlations between Logistics Management Activities and Organization Performance

Correlations							
		Transport Management	Inventory Management	Warehouse Management	Customer Service Management	Distribution Management	Organization Performance
Transport Management	Pearson Correlation	1					
	Sig. (2-tailed)						
Inventory Management	Pearson Correlation	.8760**	1				
	Sig. (2-tailed)	.000					
Warehouse Management	Pearson Correlation	.868**	.875**	1			
	Sig. (2-tailed)	.000	.000				
Customer Service Management	Pearson Correlation	.892**	.858**	.853**	1		
	Sig. (2-tailed)	.000	.000	.000			
Distribution Management	Pearson Correlation	.790**	.814**	.808**	.838**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Organization Performance	Pearson Correlation	.898**	.884**	.873**	.828**	.850**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
** . Correlation is significant at the 0.01 level (2-tailed).					N=105		

Source: own survey data 2020

Pearson correlation results are shown in the table 4.3, there is a positive and significant correlation between transportation management and organization performance. In other words transportation management and organization performance are correlated in a relationship($r=0.898$)

Table 4.3 also indicated there is a positive and significant correlation between Inventory management and organization performance. In other words inventory management and organization performance ($r=0.884$)

As it is clearly indicated in the table 4.3, there is significant positive and significant correlation between warehouse management and organization performance. This implies warehouse management and organization performance have a relationship or correlation($r=0.873$)

Parsons correlation results are shown in table 4.3, that there is a positive and significant correlation between customer services management and organization performance have a relationship or correlation($r=0.828$)

Table 4.3 indicated that there is significant positive correlation between distribution management and performance. In other word distribution management and organization performances have a relationship or correlation($r=0.850$)

4.5 Regression Analysis

The researcher applied the statistical package for social science (SPSS) to enter code and compute the measurement of multiple regressions. The conducted regression analyses shows how much the dependent variables explain the dependent variable (Transportation Management, Inventory Management, Warehouse Management, Customer service Management and Distribution Management) explain the dependent variable that is organization performance. Before proceeding ahead, the researcher has checked whether multiple regression have met assumptions.

4.5.1. Normality Test

According to (Garson,2012) the standard normal distribution is one with a mean 0 and a standard deviation of 1 and which takes a form of a symmetric ball shaped curve.

Skew and Kurtosis result show with a range of +3 or -3 used to measure normal distribution.

Table 4.4 Normality Test

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Transportation Management	105	-.617	.236	-.507	.467
Inventory Management	105	-.719	.236	-.535	.467
Warehouse Management	105	-.799	.236	-.570	.467
Customer Service Management	105	-.863	.236	-.296	.467
Distribution Management	105	-.803	.236	-.451	.467
Organization Performance	105	-.779	.236	-.423	.467
Valid N (listwise)	105				

Source: Own survey data 2020

4.5.2 Sufficient number of observations

There is a rule of thumb that the number of observation is at least $50+8K$ (where K implies the number of independent variables) cited from (Admasu, 2016) to test the overall relationship between the independent and dependent variable and the minimum number of observation should be 67. In this scenario $50+8*5=90$, hence 105 observations can meet the minimum requirement.

4.5.3 Multicollinearity test

When there is a strong correlation between two or more predictors in a regression model, Multicollinearity can exist. (Field 2009), according to him at least one predictor is a perfect linear combination of the other, Multicollinearity can exist. When there is a perfect collinearity between predictor, it's impossible to gain unique estimates of regression coefficient due to an infinite number of combinations of coefficient that would work equally well.

When the degree of correlation between the independent variable increases, the regression coefficients become less reliable. If there is a high degree of correlation between independent variable, there is a Multicollinearity problem. When a correlation result of the study within the range of 0.9 to 1 implies a very large collinearity but in this study the result indicates a range between 0.7 to 0.9 which is large collinearity, so the Multicollinearity problem doesn't exist in this study.

Field (2009) cited that Variance Inflation Factor (VIF) value above 10 and a tolerance (1/VIF) value below 0.10 pose a Multicollinearity problem. From table 4.5 VIF Value ranges from 3.924 to 6.841. Tolerance value ranges within the value of 0.146 to 0.255. In this study, these values (both VIF and tolerance level) shows that for this analysis, there is no serious multicollinearity problem. The correlation coefficient above 0.8 or 0.9 is the cut-off point for regression analysis, Field (2005). In table 4.6 Pearson correlation matrix has indicated that the inter-correlation between the Logistics Management Practices constructed below the maximum point which is 0.8/0.9.

Table 4.5 Collinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Transport Management	.146	6.841
	Inventory Management	.163	6.127
	Warehouse Management	.175	5.722
	Customer service management	.148	6.753
	Distribution Management	.255	3.924

a. Dependent Variable: Organization Performance

Source: Own survey data, 2020

4.6 Normally distributed test:

According to (Field, 2009), it is assumed that the residuals in the model are random, normally distributed variables with a mean of 0. This assumption simply means that the differences between the model and the observed data are most frequently zero or very close to zero and that differences much greater than zero happen only occasionally. To test the normality of residuals, we must look at the histogram and normal probability plot in Figure 4.2. As indicated in the histogram the distribution is roughly normal. The normal probability plot below (Figure 4.1) also shows deviations from normality. The straight line in this plot represents a normal distribution, and the points represent the observed residuals. Hence, in a perfectly normally distributed data set, all points will lie on the line. The P-P plot shows that the points are almost lie on the slope of the line which clearly point out normality of the distribution (Appendix Two).

4.7 Linearity test:

According to (Field, 2009), the mean values of the outcome variable for each increment of the predictors lie along a straight line. This means that it is assumed that the relationship we are modeling is a linear one.

To make sure the assumptions has been met successfully; the researcher undertook multiple regression analysis. According to Table 4.7 below, the multiple correlation coefficient between the independent and outcome variable was .790, which clearly indicates that there is a high degree of relationship between the constructs of independent and dependent parameters.(Appendix Two)

Table:4.6 Multiple Regression Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.941 ^a	.886	.881	.20776

a. Predictors: (Constant), Distribution Management, Transport Management, Warehouse Management, Inventory Management, Customer service management

b. Dependent Variable: Organization Performance

Source: Respondents opinion analyzed using SPSS version 23

The adjusted R square of the multiple regression measures of how much of the variability in the outcome is accounted for by the predictors (Field, 2009). The above table indicates that the value of .881 implies that 88.1% of the variance in performance is due to the predictor variables transport management, inventory management, warehouse management, customer service management and distribution management whereas other factors not studied in this research contributed 11.9% of the performance on Awash wine S.C

Magnitude of the effect of logistics activities on organization performance

Table 4.7 The determinant factors of logistics activities on organization performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.805	.116		6.958	.001
	Transport Management(x_{i1})	.385	.070	.489	5.519	.000
	Inventory Management(x_{i2})	.183	.065	.234	2.794	.006
	Warehouse Management(x_{i3})	.157	.067	.190	2.338	.021
	Customer Service Management(x_{i4})	-.232	.084	-.243	-2.757	.007
	Distribution Management(x_{i5})	.288	.060	.324	4.822	.000

a. Dependent Variable: Organization Performance

Source: Respondents opinion analyzed using SPSS version 20

H1: Transportation logistics activity has significant effect on the organization performance at Awash wine s.c

In the first place, the researcher seeks to check whether the effect of transportation management (x_{i1}), is statistically significant determinant of organization performance (y_i) or not. Therefore, the result indicated, (X_{i1}) has statistically significant association with the dependent variable organization performance. ($B=.385$, $p \text{ value}=0.000 < 0.001 < \text{sig. value} < 0.001$). Hence, there is evidence that the two variables positively associated. This indicated that taking the remaining effect as a constant, for a unit increment of transportation management the effect would lead to an increase in organization performance by 0.385.

H2: Inventory logistics activity has a significant effect on the organization performance at Awash wine s.c.

The second hypothesis the researcher undertaken to test was whether inventory logistics activity, (x_{2i}) has a significant effect on organization performance, (Y_i). As the result implies (x_{2i}) has statistically significant association with the dependent variable organization performance ($B=.183$, $p \text{ value}=0.000 < \text{sig } 0.006$) consequently taking the remaining effect as a constant for everyone unit increase in inventory is .183 times increase in organization performance.

H3: Warehouse logistics activity has significant effect on the organization performance at Awash wine s.c

Warehouse logistics activity has a positive association with the performance of the organization taking the remaining effect as a constant, one unit increases in warehouse brings .157 times increase on(y_i). This implies when the company efficiently optimizes the storage space, operational cost reduces.

H4: Customer response logistics activity has significant effect on the organization performance at Awash wine s.c

The forth hypothesis which the researcher carried out was to test whether customer response (x_{4i}) has a significant effect on organization performance (Y_i). As the result indicated even if this logistics activity has a significant impact on organization performance, there is a negative relationship between the two variables. This implies that taking the remaining effect as a constant for each one unit increase in customer response, organization performance decrease by .232 times.

There was a high variance between the minimum and maximum value for both quick respond time to customer and customer order fulfillment in the promised date, which implied the

company has fast order receiving strategy whenever the customer request without having timely delivery of the product to the client.

H5: Distribution logistics activity has a significant effect on the organization performance at Awash wine s.c

As a result of the study there is a positive association between distribution logistics activity and organization performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter presents summary findings, conclusion and recommendation and area of further study

5.1. Summary Findings

The objective of the study is to examine the effect of logistics management activities to empirically test the relationship between Logistics management activities and organization performance of Awash wine s.c. The data acquired from both primary and secondary source. Regarding primary data, this was collected through questionnaire whereas secondary data obtained from company web page. To analyze data, descriptive statistics, correlation and regression analyses used.

- ❖ The researcher can only reached to 105 respondent from the sample size of 125, most of the respondents are male, work experience of five years and above and majority of respondents are diploma and above. Therefore the overall personal information of respondent revealed that they have enough work experience and academic achievement.
- ❖ The finding of this research regarding transport management descriptive result shows 3.48 mean respondents, the respondent agreed with the idea. The correlation analyses of this study revealed that there is a strong relationship between transport management and organization performance with correlation coefficient of 0.898($r=0.898$). The result of regression analyses revealed that its one of the strong predictor of the dependent variable which is organization performance with .385 beta coefficient at significant level of 0.000

- ❖ The second objective of the study was to examine the effect of inventory management on organization performance. As per the descriptive result 3.43 mean shows that respondents agreed with the thought. The correlation analyses of this study revealed that there is a strong relationship between inventory management and organization performance with correlation coefficient of 0.884($r=0.884$).The result of regression analyses revealed that its one of the strong predictor of the dependent variable which is organization performance with .183 beta coefficient at significant level of 0.006
- ❖ The third objective of the study was to examine the effect of warehouse management on organization performance. As per the descriptive result 3.40 mean shows that respondents were neutral with the statement. The correlation analyses of this study revealed that there is a strong relationship between warehouse management and organization performance with correlation coefficient of 0.873($r=0.873$).The result of regression analyses revealed that its one of the strong predictor of the dependent variable which is organization performance with .157 beta coefficient at significant level of 0.02
- ❖ The fourth objective of the study was to observe the effect of customer management on organization performance. As per the descriptive result 3.40 mean shows that respondents were neutral with the statement. The correlation analyses of this study revealed that there is a strong relationship between warehouse management and organization performance with correlation coefficient of 0.828($r=0.828$).The result of regression analyses revealed that customer management is not significant for organization performance with -.232 beta coefficient at significant level of 0.07
- ❖ The fifth objective of the study was to examine the effect of warehouse management on organization performance. As per the descriptive result 3.40 mean shows that respondents

were neutral with the statement. The correlation analyses of this study revealed that there is a strong relationship between warehouse management and organization performance with correlation coefficient of 0.873($r=0.873$).The result of regression analyses revealed that its one of the strong predictor of the dependent variable which is organization performance with .157 beta coefficient at significant level of 0.02

- ❖ The last objective of the study was to examine the relationship between Distribution management and organization performance descriptive result shows 3.36 mean respondents, the respondent agreed with the idea. The correlation analyses of this study revealed that there is a strong relationship between transport management and organization performance with correlation coefficient of 0.850($r=0.850$).The result of regression analyses revealed that its one of the strong predictor of the dependent variable which is organization performance with .288 beta coefficient at significant level of 0.000

5.2. Conclusion

The previous conducted research in the area of Logistics Management practice and its result give insight for the researcher to understand there is a clear linkage between Logistics management practices and organization performance.

The findings somewhat support the assumption of Logistics Management Practice can increase Performance of the organization. In this study Transport management, Inventory Management, Warehouse management, Customer response management and Distribution management on Organization Performance was examined. Based on the finding presented, the following conclusion is drawn.

- As per the result of the study it's concluded that transport management and organization performance of Awash wine s.c have a positive relation.
- Based on the study inventory management and operation performance of Awash wine s.c are positively related. In addition, Inventory management has a significant effect on organization performance.
- From the result we can conclude that Warehouse management has a positive relationship with organization performance.
- According to the result Distribution management I the most significant activity of the organization and it have a positive impact on the performance of the organization.
- As per the findings of the study, the statistical result implies Customer response doesn't affect the performance of the organization

5.3. Recommendation

Based on the findings and conclusion the following possible recommendation is suggested for improvement of Logistics management practice to pledge organization performance. Managers and stakeholder of the case company can be benefited from this research.

From the findings, it was established that Transport management explained organization performance to gain further advantage that is suggested to the case companies to improve fleet management performance and truck operation control. To obtain competitive edge there are a lot fleet management software solution available in the market

The company also works more on cost effective delivery, storage process and gain full control of truck and logistic operation.

The result of the study revealed Distribution management is significant impact on organization performance. The study recommended that since distribution management is a broad activity which includes forecasting, transportation, warehouse and delivery. To work more on the distribution it's required to precise trucking and real time information.

(Ferguson, 2020), according to him, without distribution the best product mix will breakdown and fail. So the company works more on distribution to increase competitive advantage of the company in the long run.

From the result inventory management have a great role on organization performance so as to increase the benefit which acquire from inventory management the study recommend to assure the case company approach JIT techniques to avoid excess inventory and associated cost for the effective flow of raw and finished goods inventory management.

The study revealed a negative relationship between Customer response management and organization performance. The study therefore recommends the company should conduct frequent customer satisfaction survey to addressee the quality of product, value of product and product relative price.

The company must improve business relationship with current and potential clients Customer satisfaction leveraging on order processing, inventory management, transportation, handling and packaging and production, as well as facility network design Zhang et al. (2005)

5.4. Limitation and suggestion for future research

This study is limited to five logistics management activities which are transport management, inventory management, warehouse management, customer response management and distribution management. However, Packaging, information flow management and order processing management are not considered in this study.

Therefore, the study suggests conducting further studies regarding a number of logistics management practices like mentioned above.

Secondly, the study focused on the logistics management practices of Awash wine s.c Similar studies should be conducted on beverage manufacturing firms to evaluate the logistics management practices between similar industry.

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Appendix I-Questionnaire

Addis Ababa University School of Commerce

Department of Logistics and Supply Chain Management

Questionnaire

Dear Participants.

This questionnaire is developed for an academic effort planned for the collection of data to conduct a thesis paper on the title —The Effect of Logistics management practices on organizational performance in Awash Wine S.C. Ethiopia”. The study is purely for academic purpose and thus not affects you in any case. All reactions will be kept secret and will not traceable to person respondent. So, your honest to goodness, straight to the point and convenient reaction is crucial for successfulness of the ponder. Subsequently, I merciful ask you to reply to each things of the address exceptionally carefully.

Thank you Very much!!

Part I. General Information

1. Educational Qualification

Grade 12 completed Certificate College diploma First Degree Second Degree and above

2. Job Title

CEO/President Vice President/deputy manager Director/manager Team leader Expert Other _____

3. Length of Service in the organization

Under 1 year 1–5 years 6–10 years over 10 years

4. Your department/work unit _____

Part II: Questions related to Logistics activity

Please read each statement carefully and show the extent of your agreement on the statements by putting a tick mark (✓) in the boxes against each rating scale of choice. Show to what degree their impact in your organization. The rating speaks to your level of assertion as takes after: **5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree**

The effect of transportation		1	2	3	4	5
1	Transportation management has a role in achieving faster delivery service in your organization					
2	Transportation management has a role in achieving efficiency in your organization.					
3	Transportation management ensures increasing sales volume of your company					
4	Transport has a position in Awash wine for maximizing a profit					
5	Transportation management sometimes used as a storage to utilizing warehouse cost for your company					

Please read each statement carefully and show the extent of your agreement on the statements by putting tick mark(✓) in the boxes against each rating scale of choice. Indicate to what extent their effect in your organization. The rating represents your level of agreement as follows:

5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree

Inventory Management		1	2	3	4	5
1	Inventory management contributes for prompt service to customers					
2	Inventory management has a significant role on your organization productivity					
3	Proper inventory management improves sales volume of your company					
4	Proper management of inventory contributes for profitability of your organization.					
5	Inventory management significantly enhance customer service					

Please read each statement carefully and show the extent of your agreement on the statements by putting a tick mark (✓) in the boxes against each rating scale of choice. Indicate to what extent their effect in your organization. The rating represents your level of agreement as follows:

5=strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly Disagree

Warehouse Management		1	2	3	4	5
1	Warehouse has an effect on reducing operational cost of organization.					
2	Warehouse management play a major role in customer satisfaction					
3	Applicability of accurate identification of all storage location					
4	Company Storing goods according to recommended guide line					
5	Storage space optimization					

Please read each statement carefully and show the extent of your agreement on the statements by putting a tick mark (✓) in the boxes against each rating scale of choice. Indicate to what extent their effect in your organization. The rating represents your level of agreement as follows:

5=strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly Disagree

Customer response		1	2	3	4	5
1	Your company responding quickly to the customers' needs					
2	Awash wine fluffing customers orders in the promised date					
3	Sharing information with customers when required					
4	Creating long term relationship with your customers.					
5	Your company measuring and evaluating customer satisfaction level.					
6	Awash wine accepting customer comments					

Please read each statement carefully and show the extent of your agreement on the statements by putting a tick mark (✓) in the boxes against each rating scale of choice. Indicate to what extent their effect in your organization. The rating represents your level of agreement as follows:

5=strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly Disagree

Distribution Management		1	2	3	4	5
1	In your company distribution plays a vital role in getting product to the right place at the right time.					
2	The company effective distribution management increases market share					
3	Effective distribution management increases sales volume of the company					
4	Distribution management has a significant role on					

	your organization productivity.					
5	Distribution management plays a big role in product forecasting of your company					

Part three: organizational performance

Regarding organizational performance, please tick appropriate box which best indicate your organization overall performance. The item scales are five-point Likert scales with 1 = Significant Decrease, 2 = Decrease, 3= same as before, 4=Increase, 5=Significant increase

Organization performance	1	2	3	4	5
Profitability growth					
Return on investment					
Return in asset growth					
Company marketing strategy contributes to the increment in market share					
Average sales volume increase over the past year					

Thank you!

Appendix II: - Regression Results

Table: 4.6 Pearson's correlation between variables

Correlations						
		Transport Management	Inventory Management	Warehouse Management	Customer Service Management	Distribution Management
Transport Management	Pearson correlation					
	Sig. (2-tailed)					
Inventory Management	Pearson correlation	.876**				
	Sig. (2-tailed)	.000				
Warehouse Management	Pearson correlation	.868**	.875**			
	Sig. (2-tailed)	.000	.000			
Customer Service Management	Pearson correlation	.892**	.858**	.853**		
	Sig. (2-tailed)	.000	.000	.000		
Distribution Management	Pearson correlation	.790**	.814**	.808**	.838**	
	Sig. (2-tailed)	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).				N=105		

Normality test: Histogram

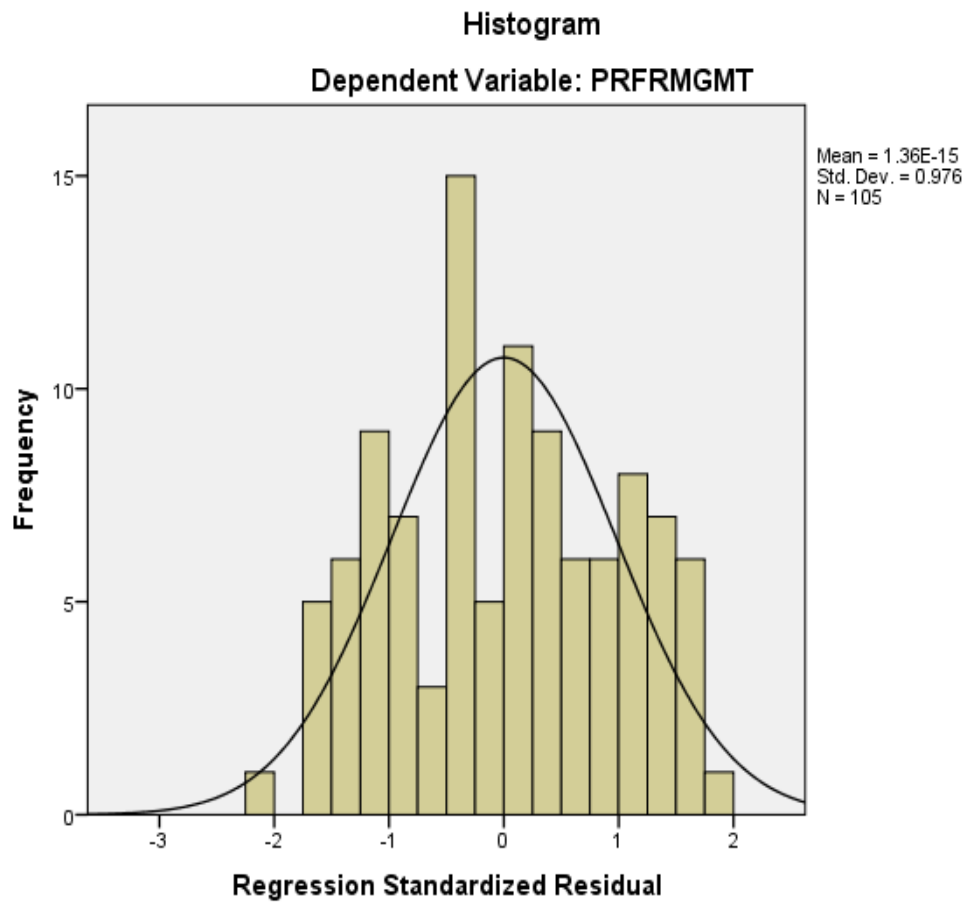


Fig 4.1 Histogram

Fig. 4.2 P-P Plot

