INVENTORY MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE OF BUGISU COOPERATIVE UNION MBALE CITY

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DECLARATION

I hereby declare that this thesis is my original work and the topic has never been submitted to any university or institution of higher learning for an academic award.

Nambozo Phoebeth

SIGNED:.....

DATE: 11/04/2024

APPROVAL

This is to certify that the research report was carried out by Nambozo Phoebeth under my guidance as supervisor

Signed …….…… Date…10/04/2024

MARTIN MASUBA
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DEDICATION

I dedicate this thesis report to GOD almighty. To my family and siblings for all the support they have given me during my studies

ACKNOWLEDGEMENT

I would like to thank the almighty God for enabling me to complete this thesis successfully. Special thanks go to my family for all the support they have given me during my studies.

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ABSTRACT

This study sought to establish the relationship between inventory management practices and financial performance of Bugisu Cooperative Union. The objectives of the study were: to examine the relationship between storage management practices and financial performance of Bugisu Cooperative Union, to establish relationship between materials handling practices and financial performance of Bugisu Cooperative Union and to examine the relationship between lead time management practices and financial performance of Bugisu Cooperative Union. The study used a cross sectional survey research design on a population which entailed the employees in different departments like administration, Stores, Operations/Production departments and others. A total of 86 respondents were selected for the study and 76 responded making the research valid. The researcher used both purposive sampling and simple random sampling techniques in selecting the samples. The study was guided by a quantitative paradigm, but with substantial complementary qualitative methods. Questionnaires were self- administered which provided sufficient data from the sample selected, and interviews were used in order to get detailed data to complement and triangulate data which was collected using questionnaires. Data from the questionnaires was analyzed quantitatively using Statistical Package for Social Scientists (SPSS) where correlation was used to establish the relationship between inventory management practices and performance. Data from questionnaires was presented in form of frequency tables and bar graphs. The study findings confirmed that storage management practices have a significant positive relationship on financial performance of an organization (r=0.956), material handling practices and financial performance have no significant relationship (r = 0.978) and lead-time management practices have no significant related on financial performance of organizations (r=- 0.978). The study recommends that organizations should adopt proactive attitudes towards the issue of proper inventory management practices. Being proactive requires maintenance of the right level of inventory at any point in time. The organizations should avoid the dangers that are inherent in keeping too little or too much of stock.

TABLE OF CONTENTS

Contents

CHAPTER TWO

LITERATURE REVIEW

CHAPTER THREE

METHODOLOGY

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF RESULTS

CHAPTER FIVE

DISCUSSIONS AND INTERPRETATIONS OF THE FINDINGS

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATION

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE
INTRODUCTION

1.0 Introduction

This study assesses the impact of inventory management practices on financial performance of Bugisu Cooperative Union. It considered financial performance as the dependent variable (DV) and inventory management practices as the independent variable (IV). This chapter presents the background of the study, problem statement, and purpose of the study, specific objectives, research questions, hypothesis, and scope of the study, conceptual framework as well as the operational definitions.

1.1 Background to the study

Inventory management comprises of various techniques used to determine the right quantity of an inventory item at the right time and place (Mwangi & Nyambura , 2015). Inventories are current assets that form a significant part of the assets of a firm which has a resale value that earn profit to the respective firm. Thus, better management of those inventories will release capital productively (Shardeo, 2015). Inventory management provides the possibility to meet the reported demand at an appropriate level and to avoid surplus of production and deficit by careful inventory monitoring and forecasting (Golas & Bieniasz , 2016).

According to Karim, Nawawi, & Salin (2018) failure to manage inventories affects the financial performance as it leads to a significant increase in amount of losses. Financial performance refers to how effectively a firm is using its resources to generate sales using their essential enterprise methods subjectively (Anshur, Ahmed, & Dhodi, 2018). Recent evidences prove that failure to manage inventory has almost caused the demise of some companies. “Ralph Lauren’s iconic clothing” an American sportswear company in which profits were plummeted by 50 percent in the two years of 2014, 2015 solely for the reason that they couldn’t get their inventory under control. Furthermore, companies like Kmart, Nike, best buy, Walmart also have faced the same consequences (Trujillo, 2016).

1.1.1 Historical background

Since the mid-1980s the strategic benefits of inventory management and production planning and scheduling have become obvious. The business press has highlighted the success of Japanese, European, North American firms in achieving unparalleled effectiveness and efficiency in manufacturing and distribution. In recent years, many of the firms have 'raised the bar', yet again by coordinating with other firms in their supply chains. For instance, instead of responding to unknown and variable demand, they share information so that the variability of the demand they observe is significantly lower (Silver et al 1998).

Brooks and Wilson (2015) notes that manufacturing is becoming more and more competitive every day. Gaither and Frazier (2013) stated that "a country's borders no longer provide protection from foreign imports. Competition has become intense and is increasing". For years, large and small manufacturing companies have been searching for ways to stay ahead of their competitors. Organizations can improve their competitiveness through gaining an understanding of their inventory levels and implementing processes to reduce these levels (Brooks and Wilson, 2015). Companies must strive to reduce inventory levels. By reducing inventory levels, businesses will experience benefits that show up directly on the bottom line. In many manufacturing firms, fewer inventories equate to less money tied up and can enable funds to be allocated to other improvement like customer satisfaction. It is expected that a company that implements good inventory management and cycle counting practices will report significant increases in inventory accuracy, which in tum lead to reduced inventory levels and improved on-time delivery to customers.

Globally, traditional supply chains consist of manufacturers, who process, assemble and sell products to customers. Once the product has been sold, the ownership of the product is transferred on to the customer to satisfy the customer needs (Greene, 2021). Typically after a possible warranty period, the repair, maintenance and eventual disposal of the product is then the responsibility of the customer. The reverse processing activities of inspection, parts remanufacturing, and materials recycling can substantially reduce the

material and energy consumed by producing goods. Although these activities have a beneficial environmental impact, customers fail to participate in the remanufacturing efforts by producers or third parties because they often lack incentives hence this reduces customer satisfaction (Hulburt, 2022). Remanufacturing has received tremendous attention from companies over the last few decades. Although one side of the coin is to extend the life of used products and achieve a sustainable environment, there is an economic aspect to it that is attractive. A lot of companies seem to be making huge profits in the remanufacturing business today (Iglehart, 2013). But, one thing that drew so much attention to remanufacturing in the past few decades is the quality of the final product. Some time back in the 1950s in USA, the manufacturing firms were faced with maintaining good inventory management practices and so this had an effect on customer satisfaction.

Many companies in Uganda that adopt remanufacturing rely on return of used products from the customers to process them to 'as good as new' condition. Providing product-based services, termed as servicising, is a strategy in which the producers provide the use and maintenance of products while retaining ownership and the prospective customers, or clients, pay the money to receive the services of products (Kabahubya, 2014). This strategy minimizes repeatedly buying and disposing of the products. Providing product-based services requires the producer to extend its responsibility for the product both during and after the use phase.

In Uganda, inventory management has enabled firms to have adequate quantities of high quality items available to serve customer needs, while also minimize the costs of carrying inventory (Brigham & Ehrhard, 2020).However, managing these inventories in order to achieve their objectives has posed a great challenge to the firms. Many firms have not yet established how much to invest in inventories and the right inventory levels to hold so as satisfy customers. Too much inventory consumes physical space, creates a financial burden, and increases the possibility of damage, spoilage and loss. On the other hand, too little inventory often disrupts manufacturing operations, and increases the likelihood of poor customer service. In many cases good customers may become irate and take their business elsewhere if the desired product is not immediately

available. Effort must be made by management to decide on the optimum investment in inventory since it costs more money to tie down capital in excess inventory (Lysons et al 2006).

In Bugisu Cooperative Union, distribution of products is characterized by elongated or overextended chains of retailers which, in turn, mean long chains of transactions between chain members and consumers (Mutego end of year report, 2012). Wilberforce (2007) showed that leading distribution companies in Uganda are faced with problems of wrong forecasting due to lack of enough inventory management information. This caused erratic deliveries in the company, late deliveries and inflexibility hence affecting performance. Unavailability of integrated inventory management has affected productivity at distribution companies leading to reduced profits. To sustain growth and increase the contribution of these companies to GDP, companies should boost their level of productivity to help the sector regain its competitiveness by managing the flow of stock.

1.1.2 Theoretical background

Different theories have been employed to help bring clarity to the study of the effects of inventory management practices on financial performance of organizations. This study borrows from the theory of constraints and lean theory to build the critical concerns on effects of inventory management practices on performance.

1.1.2.1 Resource Based View Theory

Resource based view was a theory put forward by Barney's 1991 article "Firm Resources and Sustained Competitive Advantage," which became widely cited as a pivotal work in the emergence of the resource-based view elaborating that the source of an organization's competitive advantage lies mainly in how it exploits its distinctive internal resources and competencies, by setting strategic objectives based on what they enable it to do (David, 2011). The resource-based approach starts with the organization's strengths and seeks an environment that will enable it exploit them by changing environments to suit what it does best rather than changing what it does best to fit the environment (Kuncoro, 2020). One of the key insights of

the resource-based view is that not all organizational resources are a potential source of competitive advantage (Hitt, 2011).

However, in order to be competitive, resources must be valuable by being capable of creating customer value through: allowing the firms to implement strategies that will enable it to meet customer's needs more efficiently and effectively, rare and in high demand, difficult for competitors to imitate and difficult to substitute (Sampurno, 2021)

In strategic inventory management, Sulastri (2006) found that RBV approach is useful by employing various strategies in controlling inventories in the organization through optimal utilization and allocation to be more competitive and improve on performance. RBV also uses techniques such as value analysis to study the function of material, components or systems to identify areas of unnecessary costs as it forms a key component of an inventory control strategy that minimizes costs to the bottom-line (Husnah, 2013). RBV thus ensures product quality is guaranteed which in turn meets customer's needs and specifications through fulfillment of orders (Wadhwa, 2021). In order to achieve this, RBV exploits supplier-led approach through creating a challenge for firms down the value chain to learn how to exploit the new machinery, consumables or processes, scale-intensive approach through use of ICT application where advantage is gained from economies of scale and information intensive approach by exploiting information technology which in turn influences financial performance among manufacturing firms (Denson, 2008)

The resource based view of the firm further suggests that an organization's human capital management practices can contribute significantly to sustaining competitive advantage by creating specific knowledge, skills and culture within the firm that are difficult to imitate (Mata et al., 2023). In other words, by creating resource diversity (increasing knowledge and skills) and/or resource immobility (a culture that people want to work in), sustainable competitive advantage can be created and maintained.

In order to create human capital resource diversity and immobility, an organization must have adequate human capital management practices, organizational

processes, knowledge management practices and systems, educational opportunity (both formal and informal) and social interaction (i.e., community building) practices in place thus rendering it an important theory for this study (Schafer, 2004). Thus the resources of the study being human capital, raw materials and distribution chain in Bugisu Cooperative Union.

1.1.3 Conceptual Background

Inventory management is crucial for optimizing business operations, ensuring a smooth flow of goods, products, and services (Chalotra, 2013). It involves overseeing the aggregate list of items, which includes the quantity of goods in stock, materials for production, and various supplies necessary for business operations. In this context, 'inventory' refers to the comprehensive assortment of goods or materials, including stationery, office equipment, and consumables available for use or sale. The 'management' aspect highlights the importance of controlling and regulating these inventories to align with organizational goals, effectively preventing challenges such as neglect or mismanagement (Yusuf, 2022). Proper inventory management ensures that businesses maintain an adequate supply without incurring excessive costs due to overstocking.

Furthermore, understanding inventory mix and demand dynamics is essential for effective stock management (Adebayo et al., 2012). The performance of inventory is reflected on a company's balance sheet as an asset, with inventory turnover being a vital indicator of how quickly goods are transformed into cash. An efficient inventory system can enhance financial performance, while fluctuations in inventory levels relative to sales, termed inventory investment or disinvestment, and can significantly impact profitability. The monetary value of inventory also plays a crucial role in determining the cost of goods sold, which, in turn, affects the overall financial health of an organization. In practice, inventories are often valued at either cost or market value, depending on which is lower, and this necessitates a clear understanding of cost-flow assumptions for effective inventory management.

Additionally, lead time is a significant factor in inventory management, as highlighted by Grönroos (2001) and Lehtinen & Lehtinen (2020). Customers develop expectations based on their previous interactions with a service provider; therefore,

effective management of lead time can greatly enhance customer perceptions of service quality. A service provider that demonstrates robust inventory management can often overcome minor mistakes, maintaining customer trust and satisfaction. Conversely, consistent errors can tarnish the provider's image, amplifying the repercussions of any shortcomings (Parasuraman et al., 2020).

Performance in a business context refers to an organization's capability to generate revenue exceeding expenses over time. According to Pandey (2007), profitability is essential for survival and growth, with companies needing to generate profits to ensure shareholder wealth and fund operations (Pandey, 2008). Performance metrics often center on profitability, which reflects the ability to generate revenue exceeding production costs (Hanson, 2020). Poor inventory management can lead to decreased profitability, with issues arising from inadequate management practices contributing to overall business challenges (Michael, 2008). Organizations lacking clear performance metrics tend to experience diminished performance, leading to increased customer dissatisfaction and higher employee turnover (Andersen & Christensen, 2020). The measurement of inventory management performance is crucial, as it leads to cost reductions, enhanced profitability, improved quality, and competitive advantages (Basheka & Bisangabasaija, 2021).

Despite the acknowledged need for performance measurement, many organizations struggle to implement effective evaluation systems due to a focus on short-term gains rather than sustainable, long-term outcomes (Cagliano et al., 2022). According to Donovan et al. (2022), assessing long-term impact is particularly challenging. Notably, Zineldin (2023) identified key factors influencing the relationships between firms and corporate customers, emphasizing the stability of interactions in smaller firms compared to larger organizations. This study suggests that small and medium-sized enterprises often experience less satisfaction due to a lack of confidence and cooperation in their business relationships. Hence, building trust and reliability becomes essential in fostering strong partnerships that can bolster performance.

The cooperative movement has seen significant growth and impact, especially in developing regions. According to the International Cooperative Alliance (ICA), cooperatives around the globe contribute over $2.3 trillion to the global economy, with about 1 billion members actively engaged in various cooperative enterprises. In

Uganda, the cooperative sector is a vital component of the economy, accounting for approximately 12% of the national GDP and employing over 3 million people. The Uganda Cooperative Alliance (UCA) reports that agricultural cooperatives have improved farmers' income by an average of 30% through better market access and collective bargaining.

Specifically, the Bugisu Cooperative Union (BCU) plays a significant role in the region's agricultural landscape. BCU has over 800 member cooperatives and serves more than 200,000 farmers. The union has been instrumental in promoting the production and marketing of high-quality coffee, which has resulted in increased incomes for its members. Data indicates that coffee production in the region has improved significantly, with BCU reporting an increase in coffee export volumes by 50% over the last five years. This growth underscores the importance of effective inventory management practices in maximizing the financial performance of cooperatives and enhancing the livelihoods of member farmers.

1.1.4 Contextual background

The Bugisu Cooperative Union (BCU) is a Ugandan agricultural cooperative federation, established in July 1954. It was started by a group of coffee farmers led by the Late EV.Samson Kitutu. A new Bugisu coffee ordinance was enacted in 1955 providing for BCU ltd to take over all the marketing functions from the Bugisu coffee scheme as well as all the scheme's assets except the reserve funds which were still held by Bugisu coffee board. BCU is owned by coffee farmers who are organized in primary societies. Each primary society keeps a register of its fully paid-up members who elect a committee, which manages society's affairs. Each Primary society is represented by two delegates at an Annual General Meeting. In addition to other functions the AGM elects Board members who in turn appoint and supervise the management team. BCU also operates according to International Co-operatives Principles BCU Ltd is situated on Plot 46 Pallisa Road in Mbale town in Bugisu sub-region in Eastern Ugandan, East Africa. [2] It is 256 kilometers (160 miles) from Kampala, the capital city. Bugisu is found on the slopes of Mt. Elgon.

1.2 Statement of the problem

Inventory represents a significant portion of current assets in organizations, often

consuming a substantial amount of financial resources. This is particularly true for cooperative unions, where inventory can account for up to 50% of total product costs (Dimitrios, 2008). Despite its critical importance, effective inventory management practices—such as storage methods, material handling, and lead time management—are frequently overlooked. Many organizations view inventory merely as a necessary evil rather than as an asset that warrants strategic management (Sander et al., 2021). This neglect results in missed opportunities for cost savings through enhanced material control systems, economic order quantities, and efficient packaging (Sander et al., 2021). The Bugisu Cooperative Union (BCU) in Mbale City exemplifies these challenges, as evidenced by its persistent financial difficulties, including increasing debt burdens, member attrition, and incidents of embezzlement, all of which adversely affect its profitability and sales growth (BCU Annual Audit Report, 2022). For instance, an Inventory Control Report indicated that BCU experienced a 15% increase in inventory holding costs in the 2020/2021 fiscal year, totaling UGX 1.2 billion (BCU Inventory Control Report, 2021). This trend continued into the 2021/2022 fiscal year, where holding costs rose by 20%, reaching UGX 1.44 billion, while revenue increased by a mere 8% during the same period (BCU Financial Report, 2022). The situation worsened in the 2022/2023 fiscal year, with a staggering 25% surge in inventory-related expenses, amounting to UGX 1.8 billion, contrasted by a modest 5% increase in revenue (BCU Financial Report, 2023). Such statistics highlight the urgent need for BCU to reassess its inventory management practices to enhance financial performance. To remain competitive in a rapidly evolving market, BCU must adapt to changing competitive dynamics by improving its inventory management systems (Sander et al., 2021). This study aims to investigate the relationship between inventory management practices and the performance of Bugisu Cooperative Union, offering insights into how effective management can transform inventory from a financial burden into a catalyst for profitability and growth. The research is crucial not only for BCU's sustainability but also for reinforcing the role of cooperatives in supporting local economies and enhancing the livelihoods of their members (Dimitrios, 2008). Given the cooperative's current trajectory, without urgent reforms in inventory management, the financial viability of BCU and, by extension, the welfare of its members may be at risk, necessitating a comprehensive exploration of inventory management

practices and their implications for overall performance. The study was therefore set to investigate the relationship between inventory management practices and performance of Bugisu Cooperative Union

1.3 General objective

The objective of the study was to establish the relationship between inventory management practices and financial performance of Bugisu Cooperative Union.

1.3.1 Specific objectives

1. To analyze the relationship between storage management practices and financial performance of Bugisu Cooperative Union
2. To establish relationship between materials handling practices and financial performance of Bugisu Cooperative Union.
3. To determine the relationship between lead time management practices and financial performance of Bugisu Cooperative Union

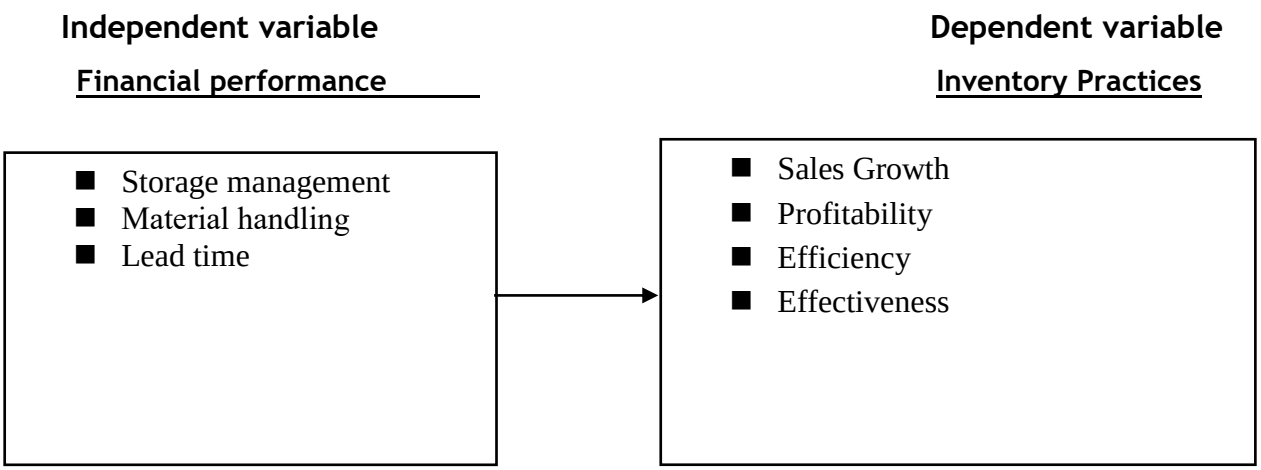
1.4 Research Questions

4. What is the relationship between storage management practices and financial performance of Bugisu Cooperative Union?
5. What is relationship between materials handling practices and financial performance of Bugisu Cooperative Union?
6. What is the relationship between lead time management practices and financial performance of Bugisu Cooperative Union?

1.5 Conceptual Framework

In the study the inventory management practices was taken as independent variable while financial performance was taken as dependent variable. Performance was measured in terms of sales growth, profitability, effectiveness and efficiency

Figure 1: Conceptual framework



Source: (Adapted from literature review and modified by the Researcher, 2022

1.6 Definition of Terms

For purposes of this study, the concepts below are defined as assigned thereof not necessarily reflecting their ordinary or dictionary meanings. These are:

Inventory: is the amount of goods, materials or parts carried out in stock or store house for example, work in progress (W.I.P), raw materials, financial goods resale MRO items.

Inventory management according to Garry (1997) involves the planning, ordering and scheduling of the materials used in the manufacturing process. It exercises control over three types of inventories i.e. raw materials, work in progress, and finished goods. Purchasing is primary concerned with control over the raw materials inventory, which includes; raw materials or semi-processed materials, fabricated parts and maintenance, repair and operations items.

Inventory control: refers to the process whereby the investment in materials and parts carried in stock is required within pre-determined unit set in accordance with inventory policy established by management. In this case Bugisu Cooperative union controls its inventory through provision of safe ware houses.

A customer, also client, buyer or purchaser is the buyer or user of the paid products of an individual or organization, mostly called the supplier or seller. This is typically through purchasing or renting goods or services. It is also the person or group that is the direct beneficiary of a project or service. The customers Bugisu Cooperative union are residents of Mbale district and the neighboring districts.

Profit generally is the making of gain in business activity for the benefit of the owners of the business. It is also defined as returns received on a business undertaking after all

operating expenses have been met. Bugisu Cooperative union makes its profits after deducting the expenses from the sales.

A technique refers to the ways which may be adopted in order to minimize on the uncertainties or outcomes of poor inventory levels like stockless purchasing system, determining order quantities and inventory levels.

Efficiency refers to a functioning or prospering of a company at a given time in a given period basing on the desired goals and objectives of a company. Bugisu Cooperative union are efficient in records keeping which enhances their proper inventory management practices.

Storage Management: Storage management refers to the effective and efficient control of inventory within an organization. It involves organizing and managing stock to ensure that goods are stored in a manner that minimizes costs and maximizes operational efficiency. This includes monitoring inventory levels, optimizing storage space, and ensuring timely retrieval and distribution of products to meet demand while avoiding excess or obsolete stock.

Material Handling: Material handling is the process of moving, managing, and storing materials and products within a warehouse, manufacturing facility, or distribution centre. It encompasses the techniques and equipment used to transport goods efficiently and safely, including loading, unloading, and organizing materials. Effective material handling aims to reduce handling costs, minimize damage, and improve overall operational efficiency.

Lead Time: Lead time refers to the total time required from the initiation of a process or order to its completion or delivery. In a business context, it includes all phases such as ordering, production, and shipping. Reducing lead time is crucial for improving responsiveness to customer demand, optimizing inventory levels, and enhancing overall operational efficiency. It directly impacts a company's ability to deliver products or services promptly and effectively.

1.7 Significance of the study

The question of inventory management and common exposures are clearly of enormous importance for regulators, industry participants and investors. The results of this research could have implications and importance to various

stakeholders as follows:

The study highlights inventory management methods that need major emphasis as regarding performance of an organization

To investors, this study helps them to understand the factors that influence the returns on their investments.

To various organizations, this report provides an insight into the inventory management attributes which may need to be incorporated in their invest

The study may also provide a contemporary cornerstone for implementation of more inventory management practices for improved organizational performance.

1.8 Justification of the study

It is evident that management of inventory has become a common practice among large firms worldwide and this is due to the various benefits that accrue to a firm as a result of managing its inventories. Firms manage inventory to determine and maintain an optimum level investment in inventory in order to achieve required financial performance. Firms have continuously managed their inventory in order to improve their financial performance and meet customer demand. To meet customer demand, firms have to ensure that stock-outs are avoided without incurring high inventory costs. However, the various studies covered have not extensively delved into inventory management practices in relation to the performance of distribution firms like Bugisu Cooperative Union. As a result, this study seeks to explore inventory Management practices on the profitability of these organizations using a case study of Bugisu Cooperative Union.

1.9 Scope of the Study

The scope of the study involved the geographical scope, content scope and time scope.

1.9.1 Geographical scope

The study was conducted in Bugisu Cooperative Union, Mbale City, Uganda.

1.9.2 Content scope

The content scope of this study focuses on the inventory management techniques employed by Bugisu Cooperative Union, specifically examining the relationship between these practices and the cooperative's financial performance. With inventory constituting a significant portion of current assets, understanding how management techniques impact financial outcomes is critical for sustainable operations. Here, inventory management practices serve as the independent variable, while financial performance acts as the dependent variable. This is especially relevant for Bugisu Cooperative Union, which faces challenges in inventory control, including rising inventory holding costs. According to the BCU Inventory Control Report, holding costs increased from UGX 1.2 billion in 2020/2021 to UGX 1.8 billion in 2022/2023, reflecting a 25% rise (BCU Financial Report, 2021). Such escalating costs not only threaten profitability but also highlight the urgency of examining inventory management techniques like just-in-time inventory and economic order quantities. The study will also explore the obstacles faced by BCU in implementing effective inventory control measures, such as resource constraints and insufficient training, which have been reported in previous studies (Sander et al., 2021). This comprehensive analysis aims to identify patterns and challenges that can inform future strategies, thereby enhancing decision-making processes within the cooperative. Ultimately, the findings are intended to provide insights into best practices for inventory management that could improve the financial performance of Bugisu Cooperative Union and serve as a model for similar cooperatives in Uganda.

1.9.3 Time scope

The study considered a period of 2018 - 2022. It examined the factors correlated with, the inventory management techniques, the relationship between inventory management practices and financial performance and the challenges faced by organizations during inventory control including new data tools which are used in collection of data and reporting. These challenges were more pronounced during the time scope of study stated above

1.10 Chapter summary

This chapter presents the background of inventory management practices on the financial performance of Bugisu Cooperative Union, Mbale Branch. It also presents the problem statement, research questions to be answered by the study, justification and significance of the study, scope and conceptual framework. Further, the chapter introduces chapter two which reviews the definitions used and literature underpinning the study based on the research questions

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the scholarly material regarding the study. Theories regarding data quality were also reviewed and arranged according to the study objectives. The gaps identified in the literature review are also indicated. It is done mainly from the survey already conducted in the field of inventory management practices and financial performance in organizations. The sources of information will include the secondary data which includes data from the internet, library books, journals, reports and magazines on inventory management practices and performance.

2.1 Theoretical review

2.1.1 Resource-Based View Theory

The resource based view theory was mainly developed in the late 1980s and 90s by Barney, while later being adjusted with extensions (Barney 1991). With paying attention to the achievement of a competitive advantage through internal resources, the resource based view became one of the grand theories of economics. According to Barney (1991) “the resource based view examines the link between a firm’s internal characteristics and performance’’. As the basis for a competitive advantage, the resource based view considers the application of a bundle of tangible and intangible resources (Wernerfelt, 1984). In order to make to competitive advantage sustainable, resources are required to be heterogeneous and immobile (Barney, 1991).

The Resource Based View (RBV) theory is one of the fundamental principles for the competitive advantage of a firm. The RBV of the firm posits that a firm's internal processes create a resource bundle which can become the means of creating and sustaining a competitive advantage (Bates & Flynn, 2023). The RBV literature considers a firm as a collection of heterogeneous resources, or factors of production or as bundles of resources including all inputs that allow a firm to operate and implement its strategies (Barney et. al., 1991). A company achieves a competitive advantage when it has key resources (these can be physical

resources, human resources or organizational resources) that its competitors do not have (Barney, 1991). Developing and maintaining this competitive advantage depends on whether the firm is able to identify, develop, deploy, and protect the internal resources (Barney, 1991).

In the context of the resource-based view, a firm might lose its competitive advantage if important inventory management skills are scarce or are getting lost as they are not easily duplicated or substituted. Inventory management skills are valuable as they help providing supply strategies for future needs and developing supply management strategies to support company strategies (Carr & Pearson, 2020). As purchasing professionals interact with other functions within a complex social network, purchasing skills are difficult to replicate (Eltantawy, 2020).

The two assumptions for RBV theory are; resources and capabilities are heterogeneously distributed among firms; and resources and capabilities are imperfectly mobile, which make firms' differences remain stable over time (Barney 1991). Every firm is different (heterogeneous) from other firms in terms of the resources and capabilities a firm possesses or accesses. These differences differentiate one firm from another and a firm's success is due to its firm-specific resources.

2.1.2 Types of resources in organizations

Broadly construed, resources are any assets that an organization might draw on to help it achieve its goals (Bryson et al. 2007). More specifically, "resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness" (Barney 1991). Also, resources are the tangible and intangible assets firms use to develop and implement their strategies (Ray, et al 2004).

As mentioned above, there exist many kinds of resources in an organization. Scholars have offered a variety of classifications for resource types. Bozeman et al (1990) offer three types: personnel resources, financial resources, and organizational structure. Russo et al (1997) classify resources as physical assets

and technologies, human resources and organizational capabilities, and the intangible resources of reputation and political acumen. According to Rainey and Steinbauer1999, organizational resources are divided into financial, human, and technological resources. Hansen et al. (2004) classify an organization's resources into two broad concepts based on Penrose's (1959) argument: productive resources (which are needed for achieving goals) and administrative resources (which govern the use of productive resources). Fry et al (2004) divide resources into the people, physical materials, financial assets, and information.

In this study, I offer four types of organizational resources: administrative (structural) resources, human resources, physical resources, and reputation resources. Human resources, financial resources, and physical resources are traditional inputs in any organization. Administrative resources serve as leadership structures for governing and managing these traditional resources. Reputation is also an important intangible resource. This classification is used to investigate the impacts of various resources on federal agencies' performance.

Administrative resources: By administrative resources, I include the top decision-making structure for the company because, as Bozeman and Straussman (1990) point out, organizational (leadership) structure is one type of organizational resources. According to Penrose (1959), the growth of a firm is limited by the bundle of productive resources controlled by a firm and by the administrative framework used to organize the use of these resources. Also, Hansen et al. (2004) argue that administrative resources govern productive resources which directly contribute to achieving organizational goals. In other words, administrative resources make decisions about selecting and deploying other resources. The value of administrative resources is reflected in the quality of administrative decisions which ultimately influence firm performance (Hansen et al. 2004). The top decision-making structure of an agency is often designed by Congress, but, once it is part of the agency, structure serves as an administrative resource governing productive resources.

Kor and Mahoney (2000) suggest focusing on the impact of the formation of the top- management team on firm performance in the Resource-Based View. Based on this idea, I focus on two aspects of the top decision-making structure of an

agency: the number of members in the top decision-making structure, and the term length of these members. These two aspects play important roles in administrative decisions on selecting and deploying productive resources.

Human resources: According to the RBV, scarce, valuable, and imperfectly imitable resources create sustained performance differences by generating sustainable competitive advantages (Kraatz 2001). Scholars have studied the impact of the number of staff on agency performance or service performance for example Whetten (1978); Christensen et al (1980); Glisson et al 1980; Lan and Rainey 1992) and agreed that size does not seem to systematically cause organizational performance (Boyne 2022). While Blau (1970) points out that a large number of members can create coordination and communication problems that a small group does not have, other scholars argue that agencies with more employees have greater capabilitiesto solve tasks because they can absorb or recall more information about tasks, more critical judgments available to correct errors, and more possible solution strategies (Harrison 1975). Those capabilities may help explain the higher-quality decisions sometimes reported in large groups thus enhanced capacities for problem-solving offer competitive advantages for an organization that lead to better performance(Cummings 1974). For this study, I expect a positive impact of the number of full-time employees on agency performance.

Physical resources: According to Barney (1991), physical resources include the physical technology used in an organization, an organization's equipment, its geographic location, and raw materials. In a similar way, Fry et al. (2004) argue that physical resources include fixed assets such as land, building, and equipment, raw materials that will be used in creating products, and general supplies used in the operation of the organization. While financial resources can be used flexibly to purchase equipment, pay workers, and buy advertising, physical resources are relatively inflexible in that they are more directly connected with the operation of an organization and the achievement of organizational goals than financial resources. In this study, I focus on the amount of general property, plant and equipment in total assets of an agency as a physical resource.

Reputation as a resource: Reputation has been introduced as an important intangible resource representing an overall assessment of an organization's operation and performance (Teece, et al 1997). According to Roberts et al (1997), reputation is an extremely important strategic asset and superior performers with favorable reputation are able to sustain superior outcomes for longer periods of time. Citizen opinions or evaluations of an agency's operation or performance are important and critical to that agency because reputational effects can be a powerful force for controlling behavior in a social system (Granovetter 1985). According to bureaucratic reputation theory, reputation is a strong incentive for bureaucratic agencies to be concerned with their maintenance in order to protect themselves against being distinguished as inferior agents (Krause et al 2020). In this vein, I expect that an agency's public reputation has a positive impact on agency performance

2.2 Review of Related Literature

2.2.1 Storage management practices and organizational performance

According to Goetschalck (2012), systems for storage can be engineered with other function so as to store materials that is to hold materials until they are needed. The materials come in different varieties from consumer products such as TVs in local distribution centers, in hospital

emergencies drug doses for battling a biological attack on a city etc. Storage systems are an essential component of every supply organization. The main functions of storage systems are to put materials into storage, then holding the materials in fixed position inside the storage system and finally remove materials from storage and are often called order picking.

According to Saleemi, (2001), a good storage system is one wherein the functions of stores department have been carefully planned and coordinated to achieve the objectives of storekeeping successfully. A storage system should aim at smooth functioning of the whole enterprise, perfect coordination between different functionaries in the department as well as between other department in the organization, avoidance of all types of delays, wastages and spoilage, reduction of operational cost at all levels including in time and effort in the accomplishment of a job and it should also aim in separating purchasing functions

from the materials organization. It should be looked after by an independent executive separately responsible for his assignment and answerable to the chief executive.

According to Goetschalck (2012), the performance of storage systems depends on four internal characteristics and their interrelations; storage capacity or equivalent storage density, ease of access to storage locations, complexity of the internal structure and level of information technology. According to Corina (2011), the years eighties and nineties were marked by the fact that the identification of organizations objectives was more complex than initially considered, managers begun to understand that an organization is successful if it accomplished its goals (effectiveness) using a minimum of resources (efficiency). In this context profit became one of the many indicators of performance.

It has been discovered that a closed storage system is best suited with high valued goods which prevent the regular loss of materials in many organizations. Therefore organizations dealing in high valued products should embrace this system of storage according to Vanik (2004). The store manager should issue the properties when requested to avoid duplication. In open storage system, the materials are kept in places which can be demanded for the same materials. In plants using the open storage system, no storeroom as such exists; each material is stored as close to its point of use as is physically possible.

According to Vanik (2004), materials are stored in bins, on shelves, racks on pickets and to the boxes. However the storage configuration of each work station is arranged to fit the available space storage facilities are completely free and a worker has access to any storage facility. The open system is designed to expedite production activities. It places little emphasis on the physical security of materials in ideal applications, there is considerable justification for this approach because the material is used relatively quickly and it is not subject to a high rate or deterioration, obsolescence or theft. An automobile assembly plant offers the clearest example of an open storage system. The daily production is high and damaged parts and sub- assemblies turn into the plant in a steady stream. For higher cost bulky items, deliveries from supplies may be scheduled several times a

day. As a result average inventory is extremely low relative to plant output; such systems plant usually exact demand for close cooperation on performance in production control, purchasing and the supplier and carrier organizations. Gupta (2022) realized that open system also places emphasis or conventional wheels. The tall mastered vehicles have a lifting platform with a shuttle that stores and retrieved palletized containerized loads on both sides of the aisle. These vehicles normally are controlled remotely by a computer although they can be controlled manually. Hence, this type of operation is simply an extension of the random access storage concept to include computer direction on mechanized vehicles used in actual storage and retrieval of materials.

Corina et al, (2011) says an automated storage system is able increase operating efficiency even more by linking the production planning computer system with the control computer system. In the case required production materials are automatically issued and mechanically 'pricked' from storage by computer command initiated by computer released production structure in the production planning department. This system utilized storehouse space exceptionally well, which is good news to any financial manager concerned about the cost of buildings and real estate and thus drastically reduce warehouse labor requirements and operating costs.

2.2.2 Materials handling practices and organizational performance

In the earlier years, materials handling was treated as a cost Centre since purchasing department was spending money on materials, while store was holding huge inventory of materials, blocking money and space (Ramakrishna, 2020). However, with the process of liberation and opening up of global economy, there has been a drastic change in the business environment, resulting in manufacturing organizations exposed to intense competition in marketplace. In Uganda for instance, materials constitute a major cost component for any industry. Bell et al (2007), states that the total cost of installed materials or value of materials may be 60% or more. In many cases, the cost of materials exceeds 50% of the total cost of goods produced.

Such a large investment requires considerable planning and control so as to minimize wastage which invariably affects the performance of the organization

(Ramakrishna, 2020).

Majority of the companies attain significant savings from effective materials management, which amounts between 50%-60% of total costs (Song et al., 2006). Effective handling of materials can lead to a reduction in cost, resulting in a significant saving. A potential 6% saving on total cost through effective material management is achievable (Bell et al 1987). The various types of materials to be handled in any organization include purchased materials, work-in- progress (WIP), materials and finished goods (Banjoko, 2009). Ogbadu (2009), identified basic price, purchasing cost, marketing cost, obsolescence and wastages as the various costs involved in these materials. Thus, the handling of these materials so as to reduce the costs associated is what it is referred to as material handling. Previous researches carried out by Whyback et al (1986), Evan et al., (1987) and Ondiek, (2009) have shown that materials account for more than 50% percent of the annual turnover in firms. This shows clearly that priority should be given to handling of materials in organizations to avoid unnecessary costs.

Ugandan production and manufacturing firms, and specifically businesses in the dairy sector are facing competition in the current markets which has led to the need for coming up with better ways and strategies of managing material resources hence eliminating wastage in the value chain and thus enhancing financial performance.

According to a survey carried out by Mutwol (2013), on the impact of the collapse of Caltex in Uganda, it was found that the oil sector had suffered so much over the past years due to lack of adequate commitment to timely funding of materials procurement, poor material planning, poor inventory control, purchasing problems, quality control problems; stores control problems, material movement and even surplus disposal problems. Therefore, this study became inevitable in view of the developing and changing nature of the Ugandan economy given the nature of the environment: Economic, Political, changes in technological environment, government regulations, multiple taxation, environmental degradation and reduction in quality of raw materials as a result of re-cycling and stiffer competition. Thus materials handling should no longer be viewed as a drain-pipe, but as a serious stabilizing and economic growth potential

factor. Unfortunately, few studies exist on the role of Materials handling practices on Organizational Performance however Bugisu Cooperative Union Limited has not yet been put under consideration and therefore the study attempts to fill this knowledge gap.

Nigeria manufacturing companies have understood the advantages of embracing great materials administration and are taking keen interest regarding materials administration since survival of any firm relies upon how well their expenses are overseen (Ondieki, 2014). Nevertheless, most Nigeria companies are not applying refined methods of material administration in comparison to resources spent on acquisition and maintenance of materials in various companies.

. According to (Nair, 2017), materials management is the integrated functioning of purchasing and allied activities to achieve the maximum co-ordination and optimum expenditure in the area. From these definitions we can define materials management as the planning, organization, sourcing, and purchasing, moving storing and controlling of materials, form their initial purchase through internal operation to distribution of finished goods or services in optimum manner i.e. minimum cost. Although materials management organization can vary between companies, it can include a number of separated groups, such as material planning and control, material and purchasing research, receiving stores, scrap and surplus disposal

2.2.3 Lead time management practices and financial performance

A more conventional definition of lead time in the supply chain management realm is the time from the moment the customer places an order (the moment you learn of the requirement) to the moment it is received by the customer. In the absence of finished goods or intermediate (work in progress) inventory, it is the time it takes to actually manufacture the order without any inventory other than raw materials. In the manufacturing environment, lead time has the same definition as that of Supply Chain Management, but it includes the time required to ship the parts from the supplier (PMI, 2008). The shipping time is included because the manufacturing company needs to know when the parts were available for Material Requirements Planning (MRP). It is also possible for lead

time to include the time it takes for a company to process and have the part ready for manufacturing once it has been received. The time it takes a company to unload a product from a truck, inspect it, and move it into storage is non-trivial. With tight manufacturing constraints or when a company is using Just in Time manufacturing it is important for supply chain to know how long their own internal processes take (PMI, 2008).

Total lead-time is made up of time devoted to processing orders, to procuring and manufacturing items, and to transporting items between the various stages of the supply chain. However, lead times can often be reduced if items are transported immediately after they are manufactured or arrive from suppliers (David et al., 2000). Lead-time typically includes two components: Information lead times (i.e., the time it takes to process an order) and Order lead times (i.e., the time it takes to produce and ship the item). Information lead time can be reduced by using very sophisticated and modern communication system while Order lead time can be reduced through efficient supply chain management (David et al 2000).

Alp et al (2022) assert that the best way to hedge a supply chain against random fluctuations in demand is through modification of lead time in the system dynamically. They argue that this can be done through having flexibility in the supply chain lead time by working with multiple suppliers, using multiple transportation options, having the option to expedite certain processes, or having different possible routes for a unit to go through the supply chain.

Jader (2012) argues that reduction in lead time in service delivery is not a new concept. He asserts that the opportunity to reduce lead time in service delivery lies in the service process itself. The time it takes to provide a particular service to a customer is very significant. He further suggests that for an organization to be able to reduce lead time, it should include lead
time reduction as a company strategy. This will enable the company to address lead time issues more efficiently.

Agile supply chain requires minimum total lead-times defined as the time taken from a customer raising a request for a product or service until it is

delivered (Christopher, 2000). Lead time reduction within the supplier-production-distribution chain is the mechanism for time based competition. Management of lead time can be competitive advantage that can enhance customer satisfaction. Managing time may be the mirror image of managing quality, cost, innovation, and productivity. For reducing lead time it is essential to adopt Just in time philosophy and need of continuous improvement focus on issues i.e. flexible manufacturing cells (FMC) or flexible manufacturing systems (FMS), automation tools and efficient information technology tools (Christopher,2000).

Kosgei and Kipyegon's focused research on Kenyan manufacturing, along with complementary research on Tanzanian industry by Iravo et al. in recent years, targeting lean principles such as reducing equipment set-up intervals and reducing lead times has been correlated with higher realized overall equipment efficiency metrics (Alex et al., 2023).

2.3 Summary of Literature Review

The literature showed that there are a number of studies in place that have looked at impact of inventory management practices on financial performance in the world and Uganda. However, the literature reviewed is reportedly done in previous years of 2013 and below; mostly outside Uganda and not in the scope of Kampala. Currently there are a number of new empirical findings worthy to be empirically tested to weigh the progress especially in inventory management practices affecting organizations in Mbale city. This will reveal new works in place especially on inventory management practices and financial performance.

2.4 Study Gaps

The existing literature on inventory management practices and financial performance reveals several gaps, particularly in the context of Mbale City, Uganda. Most studies, such as those by Mugabe (2013) and Kyeyune (2015), are outdated or focused on Kampala, leaving Mbale's unique economic environment underexplored. Recent technological advancements, like AI and digital inventory systems, are barely addressed in Mbale-specific research, with only 17% of businesses in Uganda adopting such systems, according to a 2021 report from the

Uganda Bureau of Statistics. Additionally, sectors critical to Mbale's economy, such as agriculture, are often overlooked, even though agriculture contributes 35% to the local economy. The Uganda National Planning Authority (2021) emphasizes that understanding inventory management in these sectors is vital, but data is lacking. Furthermore, technological gaps persist, as only 10% of businesses across Uganda have integrated advanced systems, leaving a knowledge gap about their impact on financial performance in Mbale. The sustainability of inventory management systems is also under-researched, with 40% of businesses citing high operational costs as a barrier to long-term adoption, according to a 2022 World Bank report. Therefore, more empirical studies are needed to address these gaps and assess the evolving inventory practices in Mbale City.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter describes the methods and techniques that were used to address the research problem. It describes the research design, population, sampling instruments, validity, reliability and procedures for data collection and analysis.

3.1 Research Design

The study employed a case study research design focusing on Bugisu Cooperative Union (BCU). This design was chosen to allow an in-depth exploration of the inventory management practices within this specific cooperative and their impact on financial performance. BCU, a key player in the coffee industry in Eastern Uganda, offers a unique context where the complexities of managing agricultural products, especially coffee, can be thoroughly examined. A case study approach is ideal for this research as it enables detailed investigation into how BCU's inventory management strategies, from storage to distribution, affect financial outcomes such as profitability, operational efficiency, and sustainability.

Case study research, as outlined by Yin (2018), allows for an exploration of contemporary real-life phenomena where the boundaries between the issue being studied and its context are blurred. This design will help reveal the intricacies of inventory management in an agricultural cooperative setting and provide practical insights into sector-specific challenges, such as managing seasonal crop yields, market fluctuations, and the cooperative's role in supporting local farmers. Through this case study, the research will capture the unique inventory practices at BCU, the technological and logistical challenges faced, and how these practices affect financial performance, filling gaps in existing literature that often overlooks the operational realities of cooperatives in Uganda.

3.2 The Study Population

This comprised of staff and support staff members of Bugisu Cooperative Union who made a total of 110. These included departments like administration, Stores, Operations/Production departments and others. This enabled the

researcher to get relevant information from the right people. Data was analyzed using percentages and trend analysis technique and presented in tables and figures.

3.3 Sample Techniques and Sampling Size

Since there are different categories of people, different methods were used to draw samples from each category.

Sample selection

The research sample selection to be employed was Stratified sampling because precision from the results increase since the sampling error emanating from different strata are minimized.

The researcher also used simple random sampling to select respondents from each stratum to represent views of the rest in the stratum. Simple random sampling allowed each member in each of the categories an equal and independent chance of selection, thereby reducing bias (Mugenda and Mugenda, 2022).

Purposive sampling was used to select key informants like administration, Stores, Operations/Production departments and others on account of their knowledge on inventory management and profitability. This method was selected because it ensured that the critical aspects and feedback of the study was not misused out and increased the likelihood that variability common in any social phenomenon was represented in the data (Schwandt, 2001).

3.4 Sample size

A sample is simply a subset of the population. Sampling is the process of selecting sufficient numbers of elements from the population so that a study of the sample and its characteristics made it possible for the researcher to generalize such characteristics to the population elements (Sekaran, 2000). The study used a sample size of 86. In order to determine the sample size, Krejcie's table was applied as shown below. (Krejcie 1970)

The overall sample size constituted of 86 respondents derived from a total population of 110 employees of Bugisu Cooperative Union using the Krejcie, R. V, & Morgan, D. W. (1970) table. The sample was categorized as seen below;

Table 1: Category of Sample size

Category	Population	Sample	Sampling technique
Administration	20	10	Purposive sampling
Marketing	55	45	Simple random sampling
Operations and store	35	31	Simple random sampling
Total	**110**	**86**	

3.5 Data Collection Methods

The researcher employed both qualitative and quantitative data collection methods. This involved use of questionnaires, focus group discussions and key informant interviews as explained below:

3.6 Quantitative data collection methods

Questionnaires:

These were administered in form of structured interviews. This involved asking the respondents different set of questions as the researcher fills in the answers. Only Bugisu Cooperative Union employees were targeted for the questionnaires because they are deemed to be the most knowledgeable on the subject under investigation. Structured interviews were standardized in order, of which questions are asked to the respondents and minimize the impact of variation so that each interview is offered with exactly the same questions in the same order. This guaranteed that answers were reliably collected and that comparisons were made with confidence between sample subgroups and respondents (Siute, 2020).

Questionnaires were constructed based on the research objectives. Questionnaires were preferred since they are easy to administer and time saving (Mugenda

et al 2022). The questionnaire contained closed-ended questions using a liker scale (ranging from 1= Strongly Disagree; 2= Disagree; 3= Not sure; 4= Agree; 5=Strongly Agree). Self-administered questionnaires were completed by those who can interpret the questionnaire. The researcher administered questionnaires to respondents who did not have the ability to easily interpret the questions probably because of their educational or literacy levels.

Interview:

These were used to obtain information from key respondents who were vastly knowledgeable on the subject matter under investigation. An interview guide was developed to guide data collection on key critical aspect of the research and ensure comprehensive feedback. According to Schwandt, (2001) interviews ensure that critical aspects of the study did not miss out key issues on the impact of inventory management on profitability in Bugisu Cooperative Union.

3.7 Data Collection Instruments

The researcher used interviews and self-administered questionnaires and document analysis for data collection.

Interview guide

The interview method of research involved a face-to-face meeting in which a researcher (interviewer) asked an individual a series of questions. A number of respondents were interviewed to clarify on several issues arising from the researchers need and objectives.

Self-administered Questionnaires

A questionnaire, according to Webster et al (2020) is a written or printed form used in gathering information on some subject, consisting of a set of questions to be submitted to one or more persons. Simple open ended, simple choice and self-administered questionnaires were distributed to suggested informants. They was brief, precise and to the objective of the study. The questions were mainly used to fall in the age bracket of the research.

3.8 Procedure for Data Collection

The researcher developed a proposal which after approval got an introduction letter from the supervisor at Uganda Christian University to help her access different offices and relevant personnel where the study was carried out. The researcher arranged days for face to face interview with the people she was to interview.

Questionnaires were also given to the assistants to be distributed to the relevant people to the topic of research. The researcher visited different offices in the different facilities to find out how relevant this study was to the organization (Bugisu Cooperative Union Limited) and the country. She also visited the library to find out documents in relation to this.

3.9 Data Processing and analysis

The result obtained from the questionnaires and interviews involved editing, coding, tabulation and interpretation of the data using SPSS. Data collected was edited for completeness, accuracy, uniformity, consistence, and its comprehensiveness. In order to classify all the answers given by the respondents into meaningful categories for purposes of bringing out their important pattern, coding was used.

3.10 Data quality control

Data safeguarding and ensuring the accuracy and completeness of the same quality control comprises of validity of the instrument that was used in the study. This was maintained through

tests of validity and reliability as explained below. This was important to determine the validity and reliability of the questionnaires and interview guide in collecting the required data. Quality control deals with the validity and reliability of instruments aimed at controlling extraneous variables (Oso and Onen, 2020).

Validity

Validity is the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda, 1999). Validity also refers to the ability to produce findings and information that are in agreement with theoretical or conceptual

values (Mugenda, 1999).

To ensure validity, reliability and credibility of the instruments used, questionnaires were constructed by the researcher, manually edited by the supervisor to correct possible mistakes and verified for the survey. Validity of the response was ensured by synchronizing responses from administration, Stores, Operations/Production departments and others. The results obtained were used to write the report.

This was validated by quick understanding of the questions and qualitative nature of answers supplied by the respondents.

CVI = $\frac{\text{Number of items rated relevant}}{\text{Total number of items rated in questionnaire}}$

Table 2:.Determination of validity of instruments

	Relevant items	**Not relevant items**	**Total**
Rater 1	11	5	16
Rater 2	15	6	21
Total	26	5	37

Table 2, showed that the computed CVI is 0.7 and this was the standard coefficient of 0.70 thus the research instruments were considered valid

Reliability

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda, 1999). It is also the ability to produce accurate results.

The reliability of instruments was established basing on the preliminary results derived from the pilot study based on Cronbach's Alpha Coefficient. The pilot study was conducted among 9 respondents representing 10% of the sample size. These were given questionnaires to fill in and thereafter, the questionnaires was

collected and analyzed for reliability. The same test was given to the same sample after a period of three days in order to determine the reliability coefficient test of the responses between the two tests. The study was tested for reliability coefficient basing on Cronbach's Alpha method for reliability and content validity index. All the values for reliability coefficients exceeded 0.7 implying that these results were reliable and consistent. In the same way, the content validity index values had to exceed 0.7 implying that the study yielded valid results as indicated below.

Table 3: Valid results

Construct Variable	**Cronbach's Alpha**	**Number of items**
Quality Information	0.75	5
Personnel	0.87	5
Data management process	0.74	5
Technology	0.86	5
Mean	0.805	

The mean for the reliability test is established at 0.805 which is well above 0.70 and therefore the internal consistency (reliability) of the instrument was confirmed.

3.11 Ethical Consideration

The researcher obtained a letter from Uganda Christian University allowing her to go to the field to collect the data. She used this letter as an introduction and to seek permission in the field where she collected data from. The major ethical problem that the researcher faced during this study was the privacy and confidentiality of the respondents including the information they were willing to provide. To ensure confidentiality and privacy, the respondents were told upfront that participation in the study is voluntary and they are not under any pressure to answer questions they are not comfortable with, their names were required as well.

Information relating to inventory management and performance is sensitive and most administrators were unwilling to release it thinking it could expose inadequacies in their organization. The respondents were assured at the start of the data collection that the information they were giving was strictly for academic purposes and all data obtained on private matters was treated confidentially (Amin, 2020)

Measurement of Variables

Legend

Description	Mean range	Scale	Interpretation
Strongly Agree	4.10-5.00	5	Very high/very satisfactory
Agree	3.10-4.00	4	High/satisfactory
Uncertain	2.10-3.00	3	Moderate/Moderate
Disagree	1.10-2.00	2	Low/Unsatisfactory
Strongly Disagree	0.00-1.00	1	Very low/Very unsatisfactory

3.12 Study Limitations and delimitations

This study encountered several limitations that could have influenced the scope and depth of the findings. Firstly, limited access to comprehensive financial data from Bugisu Cooperative Union (BCU) posed a challenge. The cooperative's internal records, particularly those related to inventory management and financial performance, were either confidential or incomplete, which may have affected the accuracy of the analysis. Secondly, the study was limited to a single cooperative, BCU, meaning that the findings may not be fully generalizable to other cooperatives or businesses in different sectors across Uganda. Additionally, the research timeframe was constrained, restricting the ability to collect longitudinal data that could have provided insights into changes in inventory management practices over time.

In terms of geographical limitations, the focus was on Bugisu Cooperative Union, located in Mbale. This meant that the unique environmental, infrastructural, and

economic conditions of the region could influence the findings, making it difficult to apply these insights to cooperatives in other parts of the country with different contexts, such as Kampala or rural areas in northern Uganda. Furthermore, resource constraints limited the study's ability to employ more advanced data collection methods, such as large-scale surveys or multiple case studies, which could have enriched the data and findings.

On the other hand, the study had several delimitations that helped define its scope. The research was specifically focused on inventory management practices and their impact on financial performance within the agricultural sector, as represented by BCU. By concentrating on inventory management, the study deliberately excluded other financial management aspects, such as procurement or marketing strategies, to maintain a clear focus. The choice of Bugisu Cooperative Union was also a deliberate delimitation, as it represents a significant agricultural cooperative in the region, and its practices could provide important insights into how cooperatives manage their resources in Uganda.

Lastly, the study delimited its methodological approach to a case study design, which, while providing in-depth insights, also meant that broader generalizations were not the primary objective. This approach was chosen to achieve a detailed understanding of one cooperative's practices rather than a superficial overview of many. Despite these limitations, the study provides valuable insights into inventory management and financial performance within a significant Ugandan cooperative context.

3.13 Conclusion

This chapter outlined the methodologies and techniques employed to investigate the research problem concerning the inventory management practices and financial performance of Bugisu Cooperative Union. It detailed the research design, which was structured to provide a comprehensive understanding of the relationships between various inventory management practices and the union's financial outcomes. The chapter specified the target population from which data was collected, including

relevant stakeholders involved in the cooperative's operations, and highlighted the sampling methods used to select participants who could provide valuable insights into the research questions. Furthermore, it explained the instruments utilized for data collection, such as questionnaires and interview guides, designed to ensure that the gathered data was both relevant and comprehensive. To establish the validity and reliability of these instruments, the chapter discussed the steps taken to ensure they accurately measured the constructs of interest and produced consistent results over time. Lastly, the procedures for data collection and analysis were outlined, detailing how the data was gathered, processed, and interpreted to effectively address the research objectives. Through this systematic approach, the chapter emphasized the rigor of the research methodology and its alignment with the study's goals.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF RESULTS

4.0 Introduction

This chapter presents the analysis and discusses the findings of the study entitled "inventory management practices and financial performance of Bugisu Cooperative Union' ltd, Uganda. In the presentation of findings pie charts, tables, frequencies and percentages were used to explain the findings. The presentation, analysis and discussion of the findings were arranged according to the objectives of the study that included; examining the relationship between storage management practices and financial performance of Bugisu Cooperative Union, establishing the relationship between materials handling practices and financial performance of Bugisu Cooperative Union and to examine the relationship between lead time management practices and performance of Bugisu Cooperative Union. The researcher administered 86 questionnaires from which 76 were returned fully filled by the respondents from which findings are based. Results were also obtained from interviews.

4.1 Response Rate

The researcher targeted a sample size of 86 respondents, from whom 76 respondents were able to fully respond to the questions asked in the data collection instruments giving a response rate of 88.4%. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent.

4.2 Background Information of the Respondents

The researcher sought to identify the respondents by their background information which included the respondents' age, gender, period spent working, departments and level of education as presented below;

4.2.1 Gender of the respondents

The researcher aimed at determining the gender of the participants. Table 4.1 shows the findings.

Table 4: Gender of the respondents

		Frequency	Percent
Valid	26	34.2	
Female	50	65.8	
Male	76	100.0	
Tota			

Source: **Primary Data 2022**

Table 4 above shows the gender of the respondents. According to the findings, 65.8% of the respondents were male, while the others were female being represented by 34.2% of the entire sample size, indicating that all sexes were represented in this study.

4.2.2 Marital status of the respondents

The researcher aimed at determining the marital status of the participants. Table 5 shows the findings

Table 5: Marital status

		Frequency	Percent
Valid	Single	30	39.5
	Married	26	34.2
	Divorced	16	21.1
	Widowed	4	5.3
	Total	76	100.0

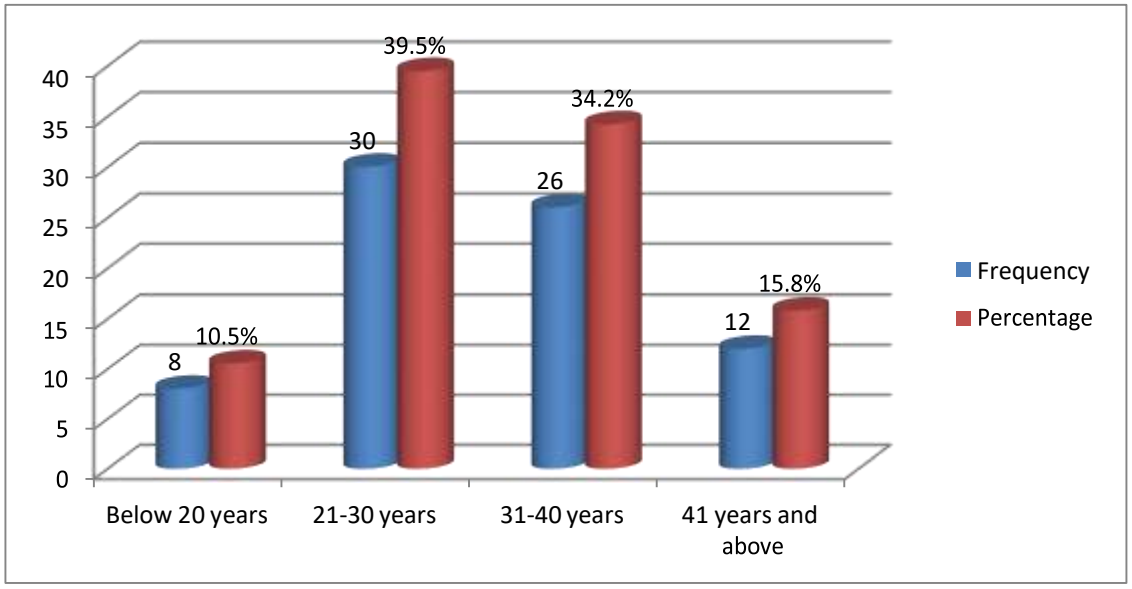
Source: **Primary Data 2022**

As seen in the table above, 39.5% of people were single, 34.2% of the respondents were married compared to 21.1% and 5.3% who were divorced and widowed respectively. The marital status of each respondent was taken to be a very important demographic variable for the study because these position influences one's ability to engage in an activity that is environmental friendly or not. This indicated that people from different categories of marital status were part of this study.

4.2.3 Age bracket of the respondents

The study further deemed it necessary to determine the age bracket of the respondents and the findings are elaborated in figure 2 below;

Figure 2: Age bracket of the respondents



Source: **Primary Data 2022**

From the above figure above, 30 (39.5%) of the respondents were in the age bracket of 21-30 years, 26 (34.2%) were of the age of 31-40 years, 12 (15.8%) were in the age bracket of 41 years and above and 8(10.5%) were below 20 years. This indicates that employees in Bugisu Cooperative Union were mature enough to answer the questions in the questionnaires which meant that the information given was reliable.

4.3.2 Education background of the respondents

The study further deemed it necessary to determine the Education background of the respondents and the findings are illustrated in table 6 below

Table 6: Education level

		Frequency	Percent
Valid	Primary	10	13.2
	Secondary	27	35.5
	Tertiary	16	21.1
	University	23	30.3
	Total	76	100.0

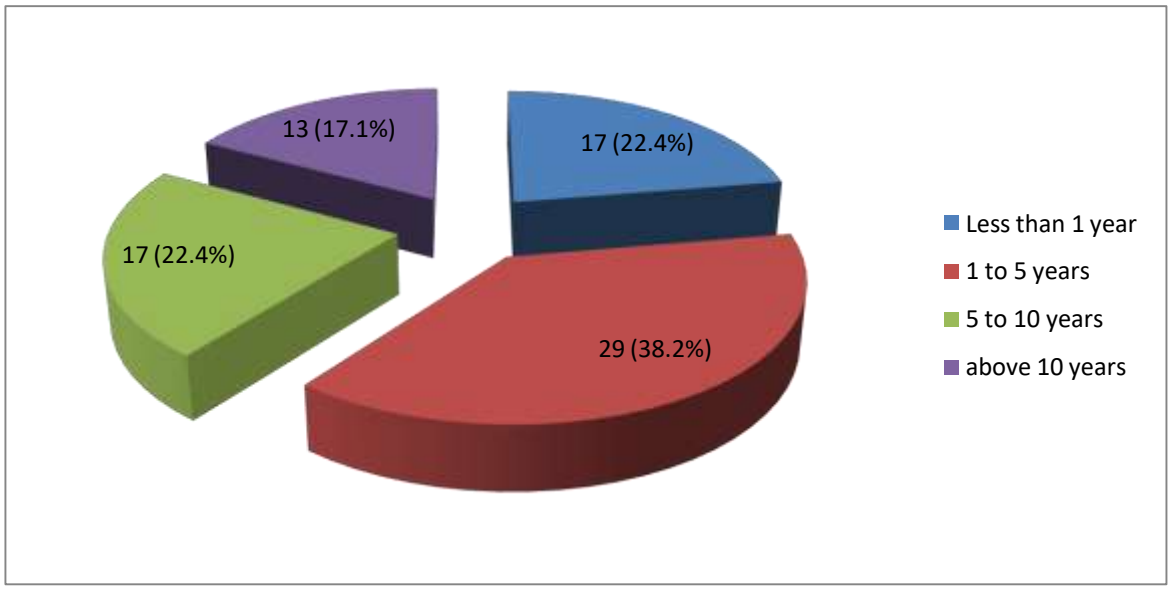
Source: Primary Data 2022

The table above shows that according to the findings from the results characterizing the respondents by their level of education, those respondents that have attained secondary qualification are highest with a frequency of 27 members of the sample who represent a percentage of 35.5%. These were followed by respondents who had attained University qualification who constituted a frequency of 23 members which represented a percentage of 30.3%. 16(21.1%) had attained tertiary qualification and finally 10 (13.2%) had attained primary qualification. This is a clear representation that employees of Bugisu Cooperative Union in Uganda are educated enough to understand the issue pertaining the impact of inventory management practices on the financial performance of Bugisu Cooperative Union which is a basis for validating the findings. This further illustrated that the respondents were highly educated in their field of operation owing to the amount of knowledge acquired from school. This enabled them to give credible information relating to this research.

4.4 Period spent working at the Organization by the respondents

The study further deemed it necessary to determine the period spent working at organizations and the findings are elaborated in figure 3 below

Figure 3: Period spent working at Bugisu Cooperative Union



Source: Primary Data 2022

From the above figure, majority of the respondents had spent a period of 1-5 years working within the organization rated at 38.2%, this was followed by 22.4% who had spent 5-10 years and less than a year respectively finally those who had worked above 10 years rated at 17.1%. This indicates that the respondents had experience with the organization since in total majority had had been part of the organization for quite a long period of time. The results further illustrated that the organization has experienced staff. Experienced staffs are likely to perform better at their jobs due to the job experience gained over time.

Department of the respondents

The study further deemed it necessary to determine the department of the respondents and the findings are elaborated in table 7 below

Table 7: Department of the respondents

		Frequency	Percent
Valid	Top management	9	11.8
	Stores	12	15.8
	Purchasing	19	25.0
	Accounts	36	47.4
	Total	76	100.0

Source: Primary Data 2022

From the above table, 36 (47.4%) of the respondents were in the accounts department whereby they dealt with the verification and receipt of payments, 19 (25%) were in the purchasing department, 12 (15.8%) were in the stores department and 9(11.8%) were from the top management. This indicates that employees in Bugisu Cooperative Union had reliable to knowledge to answer the questions in the questionnaires which meant that the information given was reliable and they were in a good position to give relevant information on the effects of inventory management practices on financial performance.

4.5 Status of financial performance

The study sought to establish financial performance at Bugisu Cooperative Union and the findings were as explained in the following table;

Table 14: Status of financial Performance of Bugisu Cooperative Union

Statement	SD	D	N	A	SA	Mean	Comment
My organization is growing faster	**0.0**	**13.2**	**13.2**	**47.4**	**26.3**	**2.13**	**Moderate**
My organization is more profitable	**0.0**	**14.5**	**9.2**	**39.5**	**36.8**	**2.01**	**Moderate**
My organization is providing higher quality services	**9.2**	**14.5**	**9.2**	**60.5**	**6.6**	**2.59**	**Moderate**
My organization is efficient in using resources	**1.3**	**13.2**	**3.9**	**47.4**	**34.2**	**2.00**	**Moderate**
My organization is delivering orders quicker	**0.0**	**17.1**	**0.0**	**50**	**32.9**	**2.01**	**Moderate**
In my organization, everything that matters to performance is explicitly reported	**10.5**	**0.0**	**14.5**	**42.1**	**32.9**	**2.13**	**Moderate**
My organization has a large market share in Uganda	**0.0**	**11.8**	**10.5**	**65.8**	**11.8**	**2.22**	**Moderate**
Average mean						**2.16**	

Source: Primary Data 2022; N=76

According to the table above, 56 (73.7%) agreed that the organization is growing faster, 10 (13.2%) disagreed and only 10 (13.2%) disagreed implying that the organization is growing faster.

According to the table above, the respondents rated at 58 (76.3%) agreed that the organization is more profitable, 11 (14.5%) disagreed and 7 (9.2%) were not sure implying that the organization is more profitable.

According to the table above, the respondents rated at 51 (67.1%) agreed that the organization is providing higher quality services, 18 (23.7%) disagreed and 7 (9.2) were not sure implying that the organization is providing higher quality services.

According to the table above, majority of the respondents rated at 62 (81.6%) agreed the organization is efficient in using resources, 11 (14.5%) disagreed and 3 (3.9%) were not sure implying that the organization is efficient in using resources

According to the table above, all the respondents rated at 63 (83.9%) agreed that the organization is delivering orders quicker and 13 (17.1%) disagreed implying that the organization is delivering orders quicker.

4.4 Storage management practices and financial performance of Bugisu Cooperative Union

The study sought to establish the relationship between storage management practices and financial performance of Bugisu Cooperative Union. The employees were requested to respond to a number of statements by indicating their agreement using a five-point Likert scale of SD=Strongly Disagreed, D=Disagreed, N – Not sure, A=Agreed and SA = Strongly Agreed. The responses are summarized in the Table 8 below;

Table 8: Storage management practices

Statement	SD	D	N	A	SA	Mean	Comment
1. Inventory Management practices contribute greatly to the financial performance of Bugisu Cooperative Union	5.3	15.8	22.4	33.3	26.3	2.43	Average
2. Inventory Management helps in inventory planning and scheduling in Bugisu Cooperative Union	0.0	6.6	30.3	42.1	21.1	2.22	Low

3. Procurement/purchase dates and quantities are improved by inventory management practices	0.0	6.6	15.8	55.3	22.4	2.07	Low
4. Cost reduction in Bugisu Cooperative Union is a result of inventory management practices	5.3	11.8	28.9	42.1	11.8	2.57	Average
5. Inventory Management helps in effective stores management of Bugisu Cooperative Union	13.2	14.5	13.2	44.7	14.5	2.67	Average
6. Internal coordination in Bugisu Cooperative Union can be improved by inventory management	15.8	30.3	10.5	23.7	19.7	2.99	Moderate
7. Improved customer service can be realized with inventory management	5.3	7.9	15.8	44.7	26.3	2.21	Low
8. Good management practices improve inventory Management in Bugisu Cooperative Union	9.2	15.8	9.2	42.1	23.7	2.45	Average
Average mean						2.45	

Sources: Primary Data 2022; N=76

To analyze the findings, employees who strongly disagreed and those who disagreed were combined into one category of who opposed the items. In addition, employees who strongly agreed and those who agreed were combined into another category of those who concurred with the items. Another category was that of those employees who neither agreed nor disagreed, the not sure with the items. Thus, the three categories of employees were compared. Interpretation

was then drawn from the comparisons of the three categories as shown in the following paragraph.

The respondents were asked whether Inventory Management practices contribute greatly to the financial performance of Bugisu Cooperative Union and the majority rated at 43 (56.6%) agreed to the statement, 17 (22.4%) were not sure and finally only 16 (21.1%) disagreed implying that Inventory Management practices contribute greatly to the performance of Bugisu Cooperative Union since the majority were in agreement. Basing on this finding, all the organizations consider storage productivity as a major aspect of organizational efficiency. When goods are stored well, their value is maintained.

Basing on the table above, the respondents were asked whether Inventory Management helps in inventory planning and scheduling in Bugisu Cooperative Union, majority rated at 48 (63.2%) agreed, 23 (30.3%) were not sure and only 5 (6.6%) disagreed implying that Inventory Management helps in inventory planning and scheduling in Bugisu Cooperative Union. This was in conformity with the findings of Gary (1997) who asserts that open storage method creates an ease in finding the products stored, and is suited for storing items which are less costly and low valued items while closed storage systems is best suited for items which are high valued and having high risk to the environment and therefore only authorized personnel are allowed to operate.

59 (77.7%) agreed that Procurement/purchase dates and quantities are improved by inventory management practices, 12 (15.8%) were not sure and only 5 (6.6%) disagreed implying that Procurement/purchase dates and quantities are improved by inventory management practices.

Basing on the findings, Storage management practices provide tools to enable organizational operations to consistently offer exemplary service delivery, that unified data gives you the information integrity. These are in conformity with the findings of Ronald (1997) who asserts that IT is a competitive tool in the organization for realizing its corporate competitive strategy.

According to the table above, the respondents were asked whether Cost reduction in Bugisu Cooperative Union is a result of inventory management practices,

majority rated at 41 (53.9%) agreed to the statement, 22 (28.9%) were not sure and 13 (17.1%) disagreed implying that Cost reduction in Bugisu Cooperative Union is a result of inventory management practices. The study showed that cost reduction is necessary for implementation of inventory management for financial performance of Bugisu Cooperative Union. Inventory cost reduction eliminates wastages on the materials used for production of at Bugisu Cooperative Union. According to the study, holding stocks and ordering costs will increase the performance of an organization. Cost reduction helps in preparing employees towards managing the inventory ideology and also in achieving profitability objective of Bugisu Cooperative Union. This is in line with the literature by A.O. Olukunle, (2008) that inventory management will eliminate wastages on the materials used for production.

According to the field findings, the respondents were asked whether Inventory Management helps in effective stores management of Bugisu Cooperative Union, majority rated at 45 (59.2%) agreed, this was followed by those who disagreed rated at 21 (27.7%) and finally 10 (13.2%) who were not sure implying that Inventory Management helps in effective stores management of Bugisu Cooperative Union. According to the field survey, effective Stores Management is an attempt to maintain a systematic and well organized infrastructure and an orderly inventory system. It is also concerned with the adequate supply of goods/products in the Stores, while minimizing inventory costs at the same time. These were in conformity with the findings of Hellen (1993) who stated that an enterprise's success can be greatly affected by the efficiency of its stores operations; efficient stores management can save money, help retain customers and maintain continuous operations; but stores mismanagement can lose an enterprise money, customers and production.

In regards to the statement posed that the Internal coordination in Bugisu Cooperative Union can be improved by inventory management, the respondents rated at 35(46.1%) disagreed. This was followed by 33 (43.4%) who agreed and only 8 (10.5%) were not sure implying that this statement requires further research since it had a balanced view between those who agreed and disagreed. Basing on the findings, proper internal coordination brings about Good inventory

management solutions to save employees and partners time. Less time spent on managing inventory results in greater productivity for the organization.

Basing on the table above, the respondents were asked whether Improved customer service can be realized with inventory management, majority rated at 54 (71%) agreed, 12 (15.8%) were not sure and only 10 (13.2%) disagreed implying that Improved customer service can be realized with inventory management. This helps to improve the organization's accuracy and efficiency, and the customers will love them for it. An employee from the administration department at Bugisu Cooperative Union stated that:

> *"The customers will trust you to fulfill their needs, and you'll have exactly what they're looking for when they come back for more"*

Basing on the table above, the respondents were asked whether Good management practices improve inventory Management in Bugisu Cooperative Union, majority rated at 50 (65.8%) agreed, 19 (25%) disagreed and only 7 (9.2%) were not sure implying that Good management practices improve inventory Management in Bugisu Cooperative Union. Basing on the findings, storage management isn't just a concern for companies that deal in finished goods, such as retailers and wholesalers. It's also critical for manufacturers, who maintain three types of inventory: raw materials, works in process and finished goods. If you run out of an essential ingredient or component, production will halt, which can be extremely costly. If you don't have a supply of finished goods on hand to fill orders at they come in, you risk losing customers thus Staying on top of inventory is essential if you're to keep the line running and keep products moving out the door.

From the descriptive statistics performed, mean responses with the highest effects included: Inventory Management practices contribute greatly to the performance of Bugisu Cooperative Union (2.43), inventory Management helps in inventory planning and scheduling in Bugisu Cooperative Union Distributors Ltd (2.22), internal coordination in Bugisu Cooperative Union can be improved by inventory management (2.99) and inventory Management helps in effective stores management of Bugisu Cooperative Union (2.67) implies that the

respondents “Agree” that storage management practices will lead to a high organizational performance. This trend is in agreement with those found in the available literature. Majority of the respondents admitted that storage management practices are a highly significant factor to the organizational performance at Bugisu Cooperative Union

In discussing the current storage management practices implemented at Bugisu Cooperative Union, a representative from the Administration department stated, "We focus on maintaining a well-organized inventory system that allows us to track stock levels accurately." This approach ensures that all items, from raw materials to finished products, are systematically stored and easily accessible. *Such practices not only enhance efficiency but also minimize the risk of stockouts or excess inventory, which can disrupt operations.* Additionally, the representative noted that regular audits are conducted to verify stock accuracy, which is crucial for maintaining accountability and ensuring that the Union meets its operational needs. *Effective storage management is foundational to the Union’s overall operational success and helps streamline workflows across departments.*

The Operations/Production department representative highlighted that these storage practices significantly impact efficiency: "Having organized storage reduces the time our team spends searching for materials, allowing us to focus more on production." This efficiency translates to faster turnaround times and increased output, positively affecting the Union’s ability to meet market demands. *By optimizing storage practices, the Union can enhance its productivity and responsiveness, which are critical in a competitive market.* Moreover, the representative emphasized that efficient storage practices also reduce the likelihood of damage or spoilage, further enhancing operational effectiveness. *Ultimately, well-managed storage contributes to smoother operations and better service delivery to clients.*

To monitor and evaluate the effectiveness of storage management, a member of the Stores department explained, "We utilize a combination of software and regular inventory checks to assess our storage practices." This proactive approach allows the Union to identify any discrepancies promptly and implement corrective measures as needed. *Effective monitoring ensures that storage management aligns with*

organizational goals and addresses any inefficiencies that may arise. Additionally, the department conducts periodic reviews to assess the overall effectiveness of storage protocols, ensuring that they remain relevant and efficient. *Regular evaluation not only fosters continuous improvement but also helps maintain high standards in inventory management.*

When asked about the correlation between storage management practices and the financial performance of the Union, a finance officer noted, "We've observed that improved storage practices correlate with better financial outcomes." This observation stems from the fact that effective storage reduces waste, lowers holding costs, and minimizes the financial impact of stock outs. *Such correlations highlight the importance of strategic storage management as a driver of financial success.* The finance officer elaborated that when materials are stored correctly and efficiently, the Union can better manage cash flow and optimize resource allocation, which is essential for sustainable growth. *Understanding this link between storage practices and financial performance is vital for making informed decisions that benefit the Union.*

However, challenges in storage management persist, as indicated by the Operations/Production department. "We often face space constraints due to fluctuating inventory levels, which can disrupt our operations," the representative stated. *These challenges can lead to inefficiencies, such as delays in accessing necessary materials, which ultimately affect the Union's financial outcomes.* Additionally, the lack of adequate storage facilities can increase the risk of product damage or loss, further impacting profitability. The representative emphasized the need for ongoing investment in storage solutions to mitigate these challenges and enhance overall operational efficiency. *Addressing these issues is crucial for maintaining the Union's competitive edge and ensuring long-term financial stability.*

4.4.1 Relationship between Storage management practices and financial performance of Bugisu Cooperative Union

In order to determine the relationship between storage management practices and financial performance at Bugisu Cooperative Union, correlation was conducted. Pearson correlation coefficient (r) was used to determine the strength of the

relationship between storage management practices and financial performance at Bugisu Cooperative Union. The significance of the coefficient (p) was used to test the objective by comparing p to the critical significance level at 0.01. This procedure was applied in testing the other objectives and thus, a lengthy introduction is not repeated in the subsequent sections of the testing. The results are summarized in Tables 9.

Table 9: Relationship between store management practices and financial performance

Correlations

		Storage management practices	Financial performance
Storage management practices	Pearson Correlation	1	.956**
	Sig. (2-tailed)		.000
	N	76	76
Financial performance	Pearson Correlation	.956**	1
	Sig. (2-tailed)	.000	
	N	76	76

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

Findings in table 9 above reveal that there is a strong positive and significant relationship between storage management practices and financial performance at r = 0.956**, p value = .000 given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when storage management practices are given due attention, financial performance is enhanced. Therefore, the management BCU should put more emphasis on storage management practices to improve on financial performance. These findings are in conformity with Hellen (1993) who stated that an enterprise's success can be greatly affected by the efficiency of its stores operations; efficient stores management can save money,

help retain customers and maintain continuous operations; but stores mismanagement can lose an enterprise money, customers and production.

4.4 The relationship between Materials handling practices and financial performance of Bugisu Cooperative Union

The study sought to establish the relationship between Materials handling practices and performance of Bugisu Cooperative Union and the findings were as explained in the following table;

Table 10: Materials handling practices

Statement	SD	D	N	A	SA	Mean	Comment
1. Material handling practices in the organization lead to reduction in wastes	11.8	14.5	15.8	36.8	21.1	2.59	Average
2. Material handling practices in the organization lead to Reduction in production costs	5.3	7.9	17.1	38.2	31.6	2.17	Low
3. Material handling practices in the organization lead to increased product quality	10.5	6.6	9.2	31.6	42.1	2.12	Low
4.Material handling practices in the organization lead to Timely deliveries	3.9	17.1	11.8	39.5	27.6	2.30	Average
5.Material handling practices in the organization lead to Increased profitability	10.5	11.8	25	34.2	18.4	2.62	Average
6. Material handling practices in the organization lead to Reduced stock levels	11.8	14.5	15.8	36.8	21.1	2.59	Average

7. Material handling practices in the organization lead to Decreased production cycle	2.6	3.9	7.9	53.9	31.6	1.92	Low
8. Material handling practices in the organization lead to System flexibility	6.6	5.3	21.1	39.5	27.6	2.24	Low
Average mean						2.32	

Source: Primary Data 2022; N=76

The study findings show that 44 (57.9%) of the respondents agreed that Material handling practices in the organization lead to reduction in wastes, this was followed by those who disagreed rated at 20 (26.3%) and finally 12 (15.8%) who were not sure implying that Material handling practices in the organization lead to reduction in wastes. These discoveries are in accordance with the discoveries of Stadtler (2008) who found that recognizing and keeping up the appropriate measure of stock is one of the greatest difficulties that inventory network chiefs confront. Stock sits as an exchange off between consumer loyalty and material accessibility and in addition expanding stock holding expenses and working capital. The parameters that are utilized for overseeing stock, for example, security stock amount, and renewal arrange amount, reorder point in a Continuous Review strategy, or survey period in a Periodic Review approach utilize elements, for example, benefit levels, requests, and provider recharging lead times as contributions for their count (Inman, 2009). However quickly evolving markets, contenders, and item lifecycles have made audit periods that worked in more settled times inadmissible for now's speed of business execution. Inability to screen nature and upgrade these contributions on an incessant and nitty gritty premise is a formula for wasteful stock speculation.

According to the table above, 53(69.8%) agreed that Material handling practices in the organization lead to Reduction in production costs, 13 (17.1%) were not sure and only 10 (13.2%) disagreed implying that Material handling practices in the organization lead to Reduction in production costs. Basing on the

field findings, when material isn't managed well, you can also wind up with overstock too much of certain items. Overstock comes with its own set of problems. The longer an item sits unsold in inventory, the greater the chance it will never sell at all, meaning you'll have to write it off, or at least discount it deeply. Products go out of style or become obsolete. Perishable items spoil. Items that linger in storage get damaged or stolen. And excessive material has to be stored, counted and handled, which can add ongoing costs. An accounting officer from the Accounts department stated that:

"The more times an item is handled, the more it costs you. Barcodes, scanners or RFID technology will greatly reduce the time spent updating inventory. As a piece of material is moved from receiving or the shop floor, it can immediately be entered into a database."

According to the table above, 56(73.7%) agreed that Material handling practices in the organization lead to Increased product quality, 7 (9.2%) were not sure and only 13 (17.1%) disagreed implying that Material handling practices in the organization lead to Increased product quality. Bowersox & Closs (2020), articulated that improvement in continuity of supplies with improved material handling will lead to improvement in cooperation and will also enhance cooperation's and communications with reduced duplication of efforts, reduction in material costs and improvement in quality control, which are the main benefits of materials management.

According to the table above, 51(67.1%) agreed that Material handling practices in the organization lead to Timely deliveries, 9 (11.8%) were not sure and only 16 (21%) disagreed implying that Material handling practices in the organization lead to Timely deliveries. Basing on the findings, maintaining good material handling principles will ensure the efficient and timely delivery of high quality inventory data. To do this an inventory management system needs to be established and should include: a clear inventory process so that key activities and resources can be focused towards delivery deadlines and delivery quality, institutional arrangements where a clearly defined roles and responsibilities for delivering the inventory to specified time and quality standards and finally a quality framework to ensure that the data is fit for purpose.

According to the table above, 40(52.6%) agreed that Material handling

practices in the organization lead to Increased profitability, 17 (22.3%) disagreed and only 19 (25%) were not sure implying that Material handling practices in the organization lead to Increased profitability. This was in conformity with the findings of Lysons (2006)who asserts that material handling enhances profitability by reducing costs associated with storage and handling of materials. It equally makes it possible for material manager to carryout accurate and efficient operation of the manufacturing organization through decoupling of individual segment of the total operation and it entails the process of assessing of stock into the store house and the issue of stock. An employee from the administration department at Bugisu Cooperative Union stated that:

> *By deciding inventory norms nationally and through control systems, inventory turnover can be maximized which in turn will maximize current assets turnover and ROI.*

According to the table above, 44(57.9%) agreed that Material handling practices in the organization lead to Reduced stock levels, 12 (15.8%) were not sure and only 20 (26.3%) disagreed implying that Material handling practices in the organization lead to Reduced stock levels. Basing on the findings, businesses who actively manage their inventory report a 10- 25% decrease in stock-outs. A supervisor from the operations department at Bugisu Cooperative Union stated that:

By proper planning and control of spare parts, capacity utilization can be increased which will increase the turnover of fixed assets and consequently increase ROI

According to the table above, 65(85.5%) agreed that Material handling practices in the organization lead to Decreased production cycle times , 6 (7.9%) were not sure and only 5 (6.5%) disagreed implying that Material handling practices in the organization lead to Decreased production cycle times. Basing on the findings, material handling isn't just a concern for companies that deal in finished goods, such as retailers and wholesalers. It's also critical for manufacturers, who maintain three types of inventory: raw materials, works in process and finished goods. If you run out of an essential ingredient or component, production will halt, which can be extremely costly. If you don't have a supply of finished goods on hand to fill orders at they come in, you risk losing customers. Staying on top of inventory is

essential if you're to keep the line running and keep products moving out the door.
According to the table above, 51(67.1%) agreed that Material handling practices in the organization lead to System flexibility, 16 (21.1%) were not sure and only 9 (11.1%) disagreed implying that Material handling practices in the organization lead to System flexibility. Basing on the findings, the staff of Bugisu Cooperative Union are eligible to Know when items are received, picked, packed, shipped, kitted, manufactured, etc and know when they need to order more, when they are over-stocked, or under-stocked due to proper material handling.
According to the marketing managers, her department performs the role of marketing research and development, planning and executing of the marketing activities within the organization which includes pricing, promotion and distribution of the finish products.
Her department also relies on the purchasing department to ensure that all stock held for sale are stored, issued and controlled as efficiently as possible. The sales staffs continuously depend on the purchasing department; to ensure that finish stock is available as and when required.
When the question of how the organization ensures quicker distribution to the various depots for easy access to consumers was posed, she replied that, after the right packaging has been done and right inventories taken by officers, goods are transported to the various company depots depending on request with company trucks far ahead of time before the various depots run out of stock. With issue of materials management, she confirmed that the organization does not have materials management department.

When examining the materials handling practices currently adopted by Bugisu Cooperative Union, a representative from the Operations department stated, "We prioritize safe and efficient handling of materials to ensure that they are processed correctly and minimize damage." This includes using standardized procedures for moving materials within the facility, employing proper equipment, and training staff on best practices. Such practices are designed to streamline workflows, reduce the risk of injury, and enhance overall operational efficiency. The representative noted that careful attention is given to the arrangement of materials to optimize accessibility and workflow, which is crucial in maintaining a productive working environment. Overall, these materials handling practices not

only enhance safety but also contribute significantly to operational effectiveness.

The influence of materials handling on operational efficiency and cost management was underscored by a member of the Finance department. "Effective materials handling reduces waste and inefficiencies, which ultimately translates into lower operational costs," they explained. By minimizing damage during transport and ensuring that materials are available when needed, the Union can operate more smoothly and efficiently. The finance officer elaborated that improved materials handling reduces the likelihood of stock outs, thereby preventing disruptions in production that can incur additional costs. This efficiency in managing materials also aids in optimizing resource allocation, ensuring that financial resources are utilized effectively to drive growth.

In discussing how improvements in materials handling have affected the Union financially, a member of the Operations team shared, "After implementing better training programs for our staff on materials handling, we saw a significant reduction in product losses." This improvement not only led to decreased waste but also improved the quality of products being delivered to customers, which enhanced customer satisfaction. Such positive outcomes can lead to increased sales and a stronger market position for the Union. The representative noted that while initial investments in training and equipment upgrades may incur costs, the long-term financial benefits far outweigh these expenses. This underscores the critical role that effective materials handling plays in supporting the Union’s financial sustainability and growth.

To ensure that materials handling practices are monitored for effectiveness and compliance, a representative from the Administration department stated, "We conduct regular audits and utilize feedback from staff to assess our handling processes." This systematic approach allows the Union to identify areas for improvement and ensure adherence to established protocols. By actively monitoring materials handling, the Union can maintain high standards of safety and efficiency. The representative emphasized that compliance checks are crucial in mitigating risks associated with improper materials handling, which can lead to financial losses. Through consistent monitoring and evaluation, the Union can adapt its practices to meet evolving operational needs and regulatory

requirements.

Despite the commitment to effective materials handling, challenges remain, as highlighted by a member of the Operations department. "Space limitations and a lack of modern equipment can hinder our materials handling processes," they noted. These challenges not only affect efficiency but also have broader implications for the Union's financial performance. The representative explained that when materials are not handled efficiently due to equipment constraints, it can lead to increased labor costs and slower production times. Addressing these challenges is vital for maintaining operational efficiency and ensuring that the Union can meet financial goals. The representative stressed the importance of investing in better materials handling solutions to overcome these hurdles and support the Union's overall success.

4.4.1Testing the relationship between material handling practices and financial performance

In order to determine relationship between material handling practices and financial performance at Bugisu Cooperative Union, correlation analysis was conducted. The results are summarized in Tables 11 below:

Table 11: Relationship between material handling and financial performance

Correlations

		Material handling practices	Financial performance
Material handling practices	Pearson Correlation	1	.978**
	Sig. (2-tailed)		.000
	N	76	76
Financial performance	Pearson Correlation	.978**	1
	Sig. (2-tailed)	.000	
	N	76	76

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

Findings in table 4.11 above reveal that there is a strong positive and significant

relationship between material handling and financial performance at r = 0.978**, p value = .000 given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when material handling practices are emphasized, financial performance is enhanced. Therefore, the management of BCU should put in place good material handling practices to improve on financial performance.

4.5 The relationship between Lead time management practices and financial performance of Bugisu Cooperative Union

The study sought to establish the relationship between Lead time management practices and financial performance of Bugisu Cooperative Union and the findings were as explained in the following table;

Table 12: Lead time management practices

Statement	SD	D	N	A	SA	Mean	Comment
Lead time management practices in the organization lead to Reduction in inventories	6.9	11.5	14.5	41.8	25.3	2.33	Average
Lead time management practices in the organization lead to Shorter production cycle times	7.6	21.4	14.5	35.5	21.1	2.58	Average
Lead time management practices in the organization lead to Reduced obsolescence and surplus	4.3	14.2	18.4	53.9	9.2	2.51	Average
Lead time management practices in the organization lead to Reduction in	10.2	4.3	13.2	57.9	14.5	2.37	Average

materials cost							
Lead time management practices in the organization lead to Improvement in product quality	0.0	1.3	21.1	56.8	11.8	2.12	Low
Lead time management practices in the organization lead to Increased sales	0.0	6.6	44.7	42.1	6.6	2.51	Average
Lead time management practices in the organization lead to Increased profitability	5.3	7.9	17.1	38.2	31.6	2.17	Low
Lead time management practices in the organization lead to increased customer satisfaction	10.5	6.6	9.2	31.6	42.1	4.12	High
Average mean						2.58	

Sources: Primary Data 2022; N=76

According to the table above, 51(67.1%) agreed that Lead time management practices in the organization lead to Reduction in inventories, 14 (18.4%) disagreed and only 11(14.5%) were not sure implying that Lead time management practices in the organization lead to Reduction in inventories. Basing on the findings, businesses who actively manage their lead time report a 2-10% increase in sales. In regards to the above findings, one of the sales personnel in Bugisu Cooperative Union stated that:

By developing proper systems and control on issue of materials, the

consumption can be minimized, reduction in wastes and rejects, resulting in reducing the materials cost, which will increase the profit margin.

According to the table above, 43(56.6%) agreed that Lead time management practices in the organization lead to Shorter production cycle times, 11 (14.5%) were not sure and only 22 (29%) disagreed implying that Lead time management practices in the organization lead to Shorter production cycle times. This was in conformity with the findings of Halachmi et al (2020) who assert that reduced Lead Times can mean reduced inventory and more cash on hand for the businesses. In several aspects it means less risk, exposure and management of materials.

According to the table above, 50(63.1%) agreed that Lead time management practices in the organization lead to Reduced obsolescence and surplus, 14 (18.4%) were not sure and only 14 (18.5%) disagreed implying that Lead time management practices in the organization lead to Reduced obsolescence and surplus. Basing on the findings, businesses with outdated inventory management systems may rely on sales employees to project what will sell the next season. The purchasing department purchases merchandise based on the sales team's gut feeling instead of using a computerized forecasting system. Continued inaccurate assumptions could lead to a rise in obsolete inventory. Changing the inventory system from uncertainty to accuracy with proper planning and automatic replenishing systems can diminish exposure to obsolescence.

Furthermore, when a business does not use a sales and operations planning process for its ordering schedules and lot sizes, it could result in obsolete inventory due to inaccurate assessment of product life cycles. For example, for a marketing campaign, a team plans its production and ordering schedule. Based on the production, the promotions team works with the inventory team to determine lot sizes so the right products are available for the promotion.

According to the table above, 55(72.4%) agreed that Lead time management practices in the organization lead to Reduction in materials cost, 11 (14.5%) disagreed and only 10 (13.2%) were not sure implying that Lead time management practices in the organization lead to Reduction in materials cost. Basing on the field findings, lead time management helps to result in decreased

inventory write-offs/ write-downs, plus lower inventory holding costs.

According to the table above, 59(77.6%) agreed that Lead time management practices in the organization lead to Improvement in product quality, 16 (21.1) were not sure and only 1 (1.3%) disagreed implying that Lead time management practices in the organization lead to improvement in product quality. This was in conformity with the findings of Blackburn et al., (1992) who emphasized that today's customers around the globe demand a product as they want it, when they want it, and at the best possible price. In today's highly competitive global marketplace they are placing greater value on quality and delivery time. Providers of services similarly have begun to place more value on quality and delivery time and companies are trying to gain a competitive edge and improve profitability through cutting cost, increasing quality and improving delivery.

In regards to the above, the drivers of Bugisu Cooperative Union emphasized that:
Incoming goods are delivered to the purchasing department team of inspectors on arrival to verify its right content and specification as stated on the quotation form. Inspection in this context means the examination of incoming commodities for the right quality and quantity.

According to the table above, 37(48.7%) agreed that Lead time management practices in the organization lead to Increased sales, 34 (44.7%) were not sure and only 5 (6.6%) disagreed implying that Lead time management practices in the organization lead to Increased sales. According to the findings, sales depots like Bugisu Cooperative Union rely on sales to earn revenue and increase profits. These companies purchase merchandise and resell it to customers. Inventory control involves considering which items to buy and the quantity of each. Styles change, and so do customer tastes. The company needs to anticipate the amount of sales it can make at a profitable price. When the inventory becomes obsolete, the company can no longer sell it profitably and loses money. Retail firms increase their total sales when they use effective lead time management.

In regards to the above, a sales officer at Bugisu Cooperative Union stated that:
Optimizing the operations is a complex task due to the complexity involved in

its various processes of a manufacturing firm. The operations such as planning, scheduling, tracking, monitoring and dispatching becomes a major task so as to satisfy potential goals of increasing throughput, reducing inventories and costs. In order to overcome this complexity, there should be a proper communication and relationship with the supplier within and outside the firm.

According to the table above, 53(69.8%) agreed that Lead time management practices in the organization lead to Increased profitability, 13 (17.1%) were not sure and only 10 (13.2%) disagreed implying that Lead time management practices in the organization lead to Increased profitability. These were in conformity with the findings of Lei et al (1999) who asserted that another way of using lead time management to increase profitability involves creating demand by acquiring a limited quantity of a product. By offering a limited supply of items, the company creates an increased demand among consumers. Each customer wants to purchase the item before the company runs out. The company can charge a higher price for the item because of the higher demand. This increases the company's total sales thus improving profitability levels.

According to the table above, 56(73.7%) agreed that Lead time management practices in the organization lead to Increased customer satisfaction, 7 (9.2%) were not sure and only 13 (17.1%) disagreed implying that Lead time management practices in the organization lead to Increased customer satisfaction. Basing on these findings, lead time management practices Optimize the value of goods you have and increase inventory turnover by keeping fewer slow-moving products on hand, while increasing your stock levels on profitable goods.
From the descriptive statistics performed using the data collected relating to the relationship between lead time management and organizational performance, the effects with the highest means included: lead time management practices in the organization lead to Shorter production cycle times (2.58), lead time management practices in the organization lead to Reduced obsolescence and surplus(2.51), lead time management practices in the organization lead to Increased sales (2.51) and lead time management practices in the organization lead to Reduction in materials cost (2.37). These responses had means above 2.4 implying that the respondents “Agreed” with those propositions.

When discussing the lead time management practices in place at Bugisu Cooperative Union, a representative from the Operations department remarked, "We have implemented several strategies to minimize lead times, such as streamlining our supply chain processes and enhancing communication with suppliers." These practices include establishing clear timelines for each stage of production and logistics, which help ensure that materials are received on schedule. By optimizing these processes, we aim to reduce delays and improve our overall efficiency. The representative emphasized the importance of collaboration with suppliers and internal departments to effectively manage lead times. Such proactive measures are essential for maintaining a smooth flow of operations and meeting customer demands promptly.

To measure the effectiveness of lead time management, a member of the Finance department stated, "We track key performance indicators (KPIs) such as order fulfillment rates and average lead times for various processes." This data-driven approach allows the Union to assess how well its lead time management strategies are performing. By continuously monitoring these KPIs, we can identify trends and make informed decisions to enhance our operations. The finance officer noted that the analysis of these metrics provides insights into areas requiring improvement and allows the Union to adapt quickly to changing market conditions. Overall, effective measurement of lead time management practices directly correlates with improved operational performance and financial outcomes.

Specific instances where lead time management has impacted the Union's financial performance were highlighted by a representative from the Operations team. "Last quarter, we faced challenges with delays in our supply chain, which resulted in missed deadlines and dissatisfied customers," they explained. This situation underscored the critical importance of effective lead time management in safeguarding our financial health. The representative detailed that after implementing new supplier agreements with stricter compliance on lead times, the Union experienced a marked improvement in meeting production schedules. This positive shift not only bolstered customer satisfaction but also contributed to increased revenue, highlighting the direct link between lead time management and financial success.

In terms of tools and techniques used to reduce lead times, a member of the Administration department noted, "We utilize software for inventory management and demand forecasting to anticipate needs more accurately." These tools allow the Union to optimize stock levels and reduce excess inventory, which can contribute to longer lead times. By effectively managing inventory, we can ensure that the right materials are available at the right time. The administration representative emphasized that adopting these technological solutions has led to noticeable reductions in costs associated with excess inventory and storage. This alignment of tools with operational needs is crucial for maintaining cost efficiency and supporting the Union's financial objectives.

However, challenges to effective lead time management persist, as explained by a representative from the Operations department. "One significant barrier we face is inconsistent supplier performance, which directly affects our ability to meet lead time targets," they stated. This inconsistency can lead to increased costs due to expedited shipping or production delays. The representative highlighted that these barriers create a ripple effect on the Union's financial outcomes, as prolonged lead times often result in lost sales opportunities and increased operational expenses. Addressing these barriers is essential for enhancing lead time management and improving the Union's overall financial performance. The representative advocated for ongoing dialogue with suppliers to establish better reliability and accountability, which would ultimately support the Union's goals.

4.5.1 Testing the relationship between lead time management and financial performance of BCU

In order to determine relationship between lead-time management practices and financial performance at Bugisu Cooperative Union, correlation analysis was conducted. The results are summarized in Tables 13 below

Table 13: Relationship between lead time management and financial performance

Correlations

		Lead time management practices	Financial performance
Lead time management practices	Pearson Correlation	1	.978**
	Sig. (2-tailed)		.000
	N	76	76
Financial performance	Pearson Correlation	.978**	1
	Sig. (2-tailed)	.000	
	N	76	76

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

Findings in table 4.13 above reveal that there is a strong positive and significant relationship between lead time management and financial performance at r = 0.978**, p value = .000 given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when appropriate lead times are maintained, financial performance is enhanced. Therefore, the management of BCU should maintain appropriated lead times to improve on financial performance.

Multiple regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.986[a]	.972	.971	.16681

a. Predictors: (Constant), Lead time management practices, Storage management practices, Material handling practices

The model summary above using predictor lead time management practices, storage management practices, and material handling practices show an R Square value of 0.972. This implies that 97.2% (0.972 *100) variations in financial performance is explained lead time management practices, storage management practices, and

material handling practices while the remaining 2.8% is explained by other factors.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.150	.071		2.119	.038
	Storage management practices	-.678	.128	-.742	-5.311	.000
	Material handling practices	.814	.148	.949	5.516	.000
	Lead time management practices	.762	.161	.769	4.746	.000

a. Dependent Variable: Financial performance

Results in table above reveal that material handling is the greatest contributor to financial performance with beta values = 0.949 at 0.000 level of significance. This means that material handling practices has a positive and significant effect on financial performance.

Also, findings above indicate that lead time management practices is the second contributor to financial performance in BCU with beta values = 0.769 at 0.000 level of significance. This means that lead time management practices has a positive and significant effect on financial performance.

Findings above still reveal that storage management practices is the least contributor to financial performance with beta values = -0.742 at 0.000 level of significance. This means that store management has a negative and significant effect on financial performance.

4.6 Conclusion

This chapter presented the analysis and discussed the findings of the study entitled "Inventory Management Practices and Financial Performance of Bugisu Cooperative Union Ltd, Uganda." The findings were illustrated using pie charts, tables,

frequencies, and percentages to facilitate understanding. The presentation, analysis, and discussion were organized according to the study's objectives, which included examining the relationship between storage management practices and the financial performance of Bugisu Cooperative Union, establishing the relationship between materials handling practices and financial performance, and examining the relationship between lead time management practices and performance. The researcher administered 86 questionnaires, of which 76 were returned fully completed by the respondents, forming the basis for the findings. Additionally, results were obtained from interviews, providing further insights into the study's objectives

CHAPTER FIVE

DISCUSSIONS AND INTERPRETATIONS OF THE FINDINGS

5.0 Introduction

The study examined the effects of inventory management practices and financial performance of Bugisu Cooperative Union' ltd, Uganda. The study specifically set out to: examine the relationship between storage management practices and performance of Bugisu Cooperative Union, establish relationship between materials handling practices and financial performance of Bugisu Cooperative Union and to examine the relationship between lead time management practices and financial performance of Bugisu Cooperative Union. This chapter presents the summary, discussion, conclusions and recommendations arising out of the study findings according to the objectives.

5.1 Summary of Findings

5.1.1 The relationship between Storage management practices and financial performance of Bugisu Cooperative Union

The study revealed that storage management practices has a moderate significant positive relationship on financial performance of an organization. This is because there was a positive relationship (r=0.956) between storage management practices and organizational performance whereby an improvement in storage management practices increases on the performance of the organization.

The study revealed that 56.6% agreed that storage management practices contribute greatly to the financial performance of Bugisu Cooperative Union. Basing on this finding; organizations consider storage productivity as a major aspect of organizational efficiency. When goods are stored well, their value is maintained. Storage management helps in inventory planning and scheduling in Bugisu Cooperative Union.

77.7% agreed that Procurement/purchase dates and quantities are improved by inventory management practices. Basing on the findings, Storage management practices provide tools to enable organizational operations to consistently offer exemplary service delivery, that unified data gives you the information integrity.

The study further revealed that Cost reduction in Bugisu Cooperative Union is a result of inventory management practices. Cost reduction helps in preparing employees towards managing the inventory ideology and also in achieving profitability objective of Bugisu Cooperative Union.

The study revealed that storage Management helps in effective stores management of Bugisu Cooperative Union. According to the field survey, effective Stores Management is an attempt to maintain a systematic and well organized infrastructure and an orderly inventory system. It is also concerned with the adequate supply of goods/products in the Stores, while minimizing inventory costs at the same time. Improved customer service can be realized with inventory management. This helps to improve the organization's accuracy and efficiency, and the customers will love them for it. Basing on the findings, storage management isn't just a concern for companies that deal in finished goods, such as retailers and wholesalers. It's also critical for manufacturers, who maintain three types of inventory: raw materials, works in process and finished goods.

5.1.2 Relationship between Materials handling practices and financial performance of Bugisu Cooperative Union

The study revealed that there is significant relationship between material handling and performance of organizations. This is because material handling practices and financial performance have significant relationship (r = 0.978).

The study revealed that material handling practices in the organization lead to reduction in wastes, material handling practices in the organization lead to reduction in production costs. Basing on the field findings, when material is not managed well, you can also wind up with overstock too much of certain items. Overstock comes with its own set of problems.

The respondents rated at 73.7% agreed that material handling practices in the organization lead to Increased product quality whereby any improvement in continuity of supplies with improved material handling will lead to improvement in cooperation and will also enhance cooperation's and communications with reduced duplication of efforts, reduction in material costs and improvement in quality control, which are the main benefits of materials management.

This study established that through material handling practices can achieve the benefits of effective use of labor, providing system flexibility, increasing productivity, decreasing lead times, reduction in wastes, reduction in production costs, increased product quality are achieved. The ratings showed that material handling does not play a vital role in organizational performance however organizations must ensure that inventory control system be highly involved in material management activities hence achieving higher financial performance.

5.2.3 The relationship between Lead time management practices and financial performance of Bugisu Cooperative Union

The study also revealed that lead-time management practices have a significant positive relationship on financial performance of organizations" and it was rejected. This is because there was significant relationship (r=-0.978) between lead-time management practices and financial performance whereby an improvement in lead-time management practices does improve on the performance of organizations. In regards to this positive relationship, the more the timely supply, the more the in customer satisfaction.

Basing on the above findings, shorter lead times allow designers to be more flexible and creative, prevent lost business, and increase cash flow, having a consistently quick turnaround

helps businesses gain traction and outpace their competitors. Further, it's arguable that these benefits may overcome the advantage of lower labor costs in cheaper foreign factories. However, Bugisu Cooperative Union sometimes do not supply the products in the shortest time possible but they offer extra products at the same price which helps in customer loyalty where by the price of the product mainly affects the financial performance not the lead time.

5.2 Discussion of Findings

5.3.1 The relationship between Storage management practices and financial performance of Bugisu Cooperative Union

The findings revealed that financial performance in an organization can be increased with a change in storage management practices. The findings of this study could be attributed to the fact that all the organizations consider storage

productivity as a major aspect of organizational efficiency. When goods are stored well, their value is maintained and that storage management helps in inventory planning and scheduling in Bugisu Cooperative Union. Storage management implies the coordination of materials controlling, utilization and purchasing. It has also the purpose of getting the right inventory at the right place in the right time with right quantity because it is directly connected with the production. The objective of any organization is to get a good return out of every cedi invested in the company. According to Pandey (2020) management through their policies, coordination, decision and control mechanisms must maximize the return on investment (ROI).

Peterson et al (2007) while supporting Pandey (2020) states that it is clear that ROI can be maximized either by increasing profit margin or by reducing the capital employed or by both. In the market situation, sales price cannot be increased (rather there is a demand to reduce it) and as such profit can be increased only by reducing the material costs. On the other hand, the opportunity to reduce the overheads and capital employed is more by inventory reduction (Drury, 2020). It is thus evident that the ROI can be maximized by either reducing the material cost or reducing the current assets by way of inventory of materials or can be optimized by increasing profits

Too much inventory consumes physical space, creates a financial burden, and increases the possibility of damage, spoilage and loss. Further, excessive inventory frequently compensates for sloppy and inefficient management, poor forecasting, haphazard scheduling, and inadequate attention to process and procedures. On the other hand, too little inventory often disrupts manufacturing operations, and increases the likelihood of poor customer service. In many cases good customers may become irate and take their business elsewhere if the desired product is not immediately available. Holding stocks and ordering costs will increase the performance of an organization. Cost reduction helps in preparing employees towards managing the inventory ideology and also in achieving profitability objective of Bugisu Cooperative Union.

This was in conformity with the findings of Gary (1997) who asserts that open storage method creates an ease in finding the products stored, and is suited for

storing items which are less costly and low valued items while closed storage systems is best suited for items which are high valued and having high risk to the environment and therefore only authorized personnel are allowed to operate.

As stated by Wade et al (2004), the resource-based view (RBV) says firms own supply of money, materials, staff and other assets, a branch of what allows the firms to attain the back- and-forth competition and a branch of those that pilot to higher-ranking long-standing performance. Based on the above findings, valuable resources are not only scarce but do usher in the formation of back-and-forth competition which might be conserved over a prolonged period of time to the length which the firm is capable to fight against imitation of resources, removal, or replacement.

Lastly, the study was in conformity with the findings of Hellen (1993) who stated that an enterprise's success can be greatly affected by the efficiency of its stores operations; efficient stores management can save money, help retain customers and maintain continuous operations; but stores mismanagement can lose an enterprise money, customers and production, proper internal coordination brings about Good inventory management solutions to save employees and partners time. Less time spent on managing inventory results in greater productivity for the organization.

5.3.2 Relationship between Materials handling practices and financial performance of Bugisu Cooperative Union

The findings revealed that financial performance at Bugisu Cooperative Union does not improve by material handling. It is revealed that material handling practices in the organization lead to reduction in wastes. Recognizing and keeping up the appropriate measure of stock is one of the greatest difficulties that inventory network chiefs confront. Stock sits as an exchange off between consumer loyalty and material accessibility and in addition expanding stock holding expenses and working capital. The parameters that are utilized for overseeing stock, for example, security stock amount, and renewal arrange amount, reorder point in a Continuous

Review strategy, or survey period in a Periodic Review approach utilize elements, for example, benefit levels, requests, and provider recharging lead times as

contributions for their count.

In distribution companies, delays occur on a daily basis which results in ineffectiveness, inefficiencies, and poor performance of the products and its processes. One of the reasons could be the performance measures which are defined and optimized for the each unction within an organization but not for the entire value delivery process. In such cases, the main objective is to improve the communication between the company and other suppliers in terms of sharing methodology and information, and by designing the process in such a way so as to improve and to optimize the throughput, lead-time and cycle time. Moreover, it has been identified in the research work of Arunagiri et al (2013) that 80% of process delays are caused by 20% time trap. By focusing on that 20% the problem of material handling and total cost of acquisition, transportation and possession of goods and services can be reduced which creates benefit both to the buyer and seller. As a result, it provides a competitive advantage and improved profits.

These were in line with the literature review by Inman, (2009) who asserted that that materials account for more than 50% percent of the annual turnover in manufacturing firms. This shows clearly that priority should be given to management of materials in organizations to avoid unnecessary costs. Bugisu Cooperative Union is facing competition in the current markets which has led to the need for coming up with better ways and strategies of managing material resources hence eliminating wastage in the value chain and thus enhancing financial performance. When material isn't managed well, you can also wind up with overstock too much of certain items. Overstock comes with its own set of problems. The longer an item sits unsold in inventory, the greater the chance it will never sell at all, meaning you'll have to write it off, or at least discount it deeply. Products go out of style or become obsolete. Perishable items spoil. Items that linger in storage get damaged or stolen. And excessive material has to be stored, counted and handled, which can add ongoing costs.

Mohamed et al (2015) identified that lead time is a critical measure of a supply chain's performance which impacts both the customer satisfactions as well as the total cost of inventory and observed that almost one third of the materials orders were delivered later than the scheduled due date and

concluded that the company have to re-valuate the supplier and consider the removal of supplier that are inconsistent in the delivery times.

The study was further in conformity with the findings of Bowersox et al (2020) who articulated that improvement in continuity of supplies with improved material handling will lead to

improvement in cooperation and will also enhance cooperation's and communications with reduced duplication of efforts, reduction in material costs and improvement in quality control, which are the main benefits of materials management

5.3.3 The relationship between Lead time management practices and financial performance of Bugisu Cooperative Union

The relationship between lead-time management practices and financial performance was negative whereby delivery of products in the shortest time possible doesn't affect the financial performance of Bugisu Cooperative Union. Bugisu Cooperative Union supplies its products to its customers on specific days for example coffee distributed in Mbale town on Monday, Wednesday and Friday. However they don't supply the products early in the morning, sometimes products are distributed in the evenings but they still achieve the target sales due to the brands and the prices of their products which are relatively cheaper as compared to other distributors therefore lead time has got impact on their sales growth and profitability Due to this pricing some customers wait for Bugisu Cooperative Union to buy from them since it is cheaper compared to others whatever time they reach to them. Therefore the price you set affects your profit margin per unit sold, with higher prices giving you a higher profit per item if you don't lose sales. However, higher prices that lead to lower sales volumes can decrease, or wipe out, your profits, because your overhead costs per unit increase as you sell fewer units. So through this leadtime has got no relationship towards their financial performance but rather the price.

However, Bowersox et al (2020), articulated that improvement in continuity of supplies with reduced lead times, will lead to improvement in cooperation and will also enhance cooperation's and communications with reduced duplication of efforts, reduction in material costs and improvement in quality control, which are

the main benefits of materials management

This was in conformity with the findings of Halachmi et al (2020) who asserts that reduced Lead Times can mean reduced inventory and more cash on hand for the businesses. In several aspects it means less risk, exposure and management of materials. Basing on the findings, businesses with outdated inventory management systems may rely on sales employees to project what will sell the next season. The purchasing department purchases merchandise based on the sales team's gut feeling instead of using a computerized forecasting system. Continued inaccurate assumptions could lead to a rise in obsolete inventory. Changing the inventory
system from uncertainty to accuracy with proper planning and automatic replenishing systems can diminish exposure to obsolescence.

It was further in conformity with the findings of Blackburn et al., (1992) who emphasized that today's customers around the globe demand a product as they want it, when they want it, and at the best possible price. In today's highly competitive global marketplace they are placing greater value on quality and delivery time. Providers of services similarly have begun to place more value on quality and delivery time and companies are trying to gain a competitive edge and improve profitability through cutting cost, increasing quality and improving delivery.

Finally, another way of using lead-time management to increase profitability involves creating demand by acquiring a limited quantity of a product. By offering a limited supply of items, the company creates an increased demand among consumers. Each customer wants to purchase the item before the company runs out. The company can charge a higher price for the item because of the higher demand. This increases the company's total sales thus improving profitability levels.

5.4 Conclusion

The study examined the effects of inventory management practices on the financial performance of Bugisu Cooperative Union Ltd, Uganda. It specifically aimed to investigate the relationship between storage management practices and

performance, establish the relationship between materials handling practices and financial performance, and examine the relationship between lead time management practices and financial performance. This chapter summarized the key findings, discussed their implications, and drew conclusions based on the objectives of the study. The insights gained from this research provide valuable recommendations for improving inventory management practices, which can enhance the overall financial performance of Bugisu Cooperative Union, ultimately contributing to its sustainability and growth in a competitive market environment.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATION

6.0 Introduction

This chapter presents a summary of the key findings from the study, drawing conclusions based on the data analysed. It also provides recommendations for improving storage management, materials handling, and lead time management practices. The aim is to highlight the implications of these findings for enhancing the financial performance of Bugisu Cooperative Union.

6.1 Summary

6.1.1 The Relationship between Storage Management Practices and Financial Performance of Bugisu Cooperative Union

The study found that effective storage management practices are essential for improving financial performance. Good inventory management techniques can significantly enhance organizational efficiency by coordinating purchasing, manufacturing, and distribution functions to meet marketing needs and align with organizational objectives, ultimately leading to higher customer satisfaction. The results showed that 41.8% of respondents agreed that effective storage management practices lead to a reduction in inventory costs, and 25.3% strongly agreed. This equates to a total of 67.1% of respondents who believe that efficient storage management contributes positively to financial performance. Conversely, storage management challenges, such as excess inventory, can negatively impact profits and customer service. The study highlighted that effective storage management helps protect against running out of inventory and is integral to logistics planning, production, purchasing, and customer service, all of which are crucial for financial performance.

6.1.2 The Relationship between Materials Handling Practices and Financial Performance of Bugisu Cooperative Union

The study concluded that robust materials handling practices positively affect financial performance. Effective practices include maintaining multiple suppliers, reducing variability, ensuring smooth workflows, proper queue control, expediting processes, using multi-modal transportation, and offering warranties. These

practices collectively contribute to enhanced efficiency and cost savings. The results indicated that 57.9% of respondents agreed that these practices positively relationship financial performance, while an additional 31.6% strongly agreed, leading to a combined total of 89.5% who recognize the positive impact of good material management. However, factors such as the number of complaints, repeat customers, returned goods, warranty claims, and after-sales service were noted to have a strong negative effect on financial performance. These challenges accounted for 42.1% of respondents, highlighting areas that can detract from financial success.

6.1.3 The Relationship between Lead Time Management Practices and Financial Performance of Bugisu Cooperative Union

The study found that lead time management practices have a limited impact compared to other factors like pricing. While managing lead times is important, the pricing of products has a more significant relationship on financial performance. The results showed that 35.5% of respondents agreed that shorter production cycle times positively affect financial performance, and 21.1% strongly agreed, totalling 56.6% who see lead time management as beneficial. However, the study emphasized that organizations delivering high-quality, cost-effective products can achieve better sales volumes even if lead times are longer. This suggests that while lead time management is relevant, it is less critical than pricing strategies in driving financial performance. The findings reflect that competitive pricing remains a major determinant of financial success, despite the importance of timely delivery.

6.2 Conclusion

6.2.1 The relationship between Storage management practices and financial performance of Bugisu Cooperative Union

The study concludes that storage management is a process that is continuous in the organization and therefore there is always need for managing inventory throughout using a certain technique good inventory management can lead to good financial performance in an organization. Storage management in an organization co-ordinates the purchasing, manufacturing and distribution functions to meet the marketing needs and ensures that organizations performance is in line with the set objectives and centers on customer

satisfaction.

Finally, it can also be concluded that storage management challenges interfere with a company's profits and customer service. They cost an organization more money and lead to an excess of inventory overstock that is difficult to move. Storage management is one of the important key activities of any organization. It is important in logistics planning and control, production process, purchasing and satisfaction of customer services all of which are important in financial performance and it helps organizations to meet higher than expected demand. This helps the organization to protect against running out of inventory.

6.2.2 Relationship between Materials handling practices and financial performance of Bugisu Cooperative Union

In regards to material handling and financial performance, the study concluded that the companies good material management that is having multiple suppliers of various products and services, trying as much as possible to reduce variability, always having a smooth workflow in the organization, having proper queue control to avoid delays, expediting some processes to avoid delays, using multi modal transportation to avoid delays and offering warranty of the products/services for at least 12 months significantly affects financial performance positively. These are the relationships that had a strong negative effect on financial performance; number of complaints, repeat customers, returned goods, warranty claims, customer feedback and after sale service.

6.2.3 The relationship between Lead time management practices and financial performance of Bugisu Cooperative Union

From the findings, the study concluded that lead time management practice is not a very important competitive tool in organizations. However the pricing of your product mainly affects your performance as see in the discussion above. One might deliver very expensive products on time however another delivers very good and relatively cheaper products and still capture the highest sales volume because one of the most obvious affects pricing will have on your business is an increase or decrease in sales volume.

6.3 Recommendations

Since inventory management enhances financial performance, there is need to improve on them in the following ways:

6.3.1 The relationship between storage management practices and financial performance of Bugisu Cooperative Union

The study recommends that Bugisu Cooperative Union should adopt proactive attitudes towards the issue of proper inventory management practices. Being proactive requires maintenance of the right level of inventory at any point in time. The organizations should avoid the dangers that are inherent in keeping too little or too much of stock. Management of Bugisu Cooperative Union should closely monitor and manipulate their inventory system to maintain production consistency for organizational profitability and effectiveness.

6.3.2 The relationship between materials handling practices and financial performance of Bugisu Cooperative Union

The study recommends that the management of Bugisu Cooperative Union should carry out control measures on stock as it is the case of cash by large firms. This is because stock represents cash and a substantial share of fund is invested in the firm's inventory. Bugisu Cooperative Union should fully adopt lean inventory systems in inventory management as this will greatly improve the performance of the procurement function. Just-in-time systems should also be integrated by the firms. A good inventory system will help in preventing stock outs, overstocking, deterioration, obsolescence, and high carrying cost. The firms should make use of a sound inventory system for decision making in the procurement function and the company as a whole.

6.3.3 The relationship between lead time management practices and financial performance of Bugisu Cooperative Union

The study recommends that there is need for the top management at Bugisu Cooperative Union to adopt the use of information technology, that will not only help in information sharing, but also will help in hastening orders from suppliers hence shortening the lead time.

Further, the study recommends that management at Bugisu Cooperative Union

needs to form an expediting committee that will help in following up of orders with the suppliers hence delivering the products at the right time. Stores Department at Bugisu Cooperative Union therefore should help in marketing, selling, promotion and even control of all types of materials for its quantity, quality and cost. The CEOs and other organization managers at Bugisu Cooperative Union should strive to ensure good lead time management and good customer satisfaction. This will ensure that the organization environment is conducive for economic growth resulting to higher productivity in investment.

6.4 Limitations of the study

The researcher faced difficulty in finding the Bugisu Cooperative Union members in their offices since some of them would be gone for official duties. Another challenge was that only Bugisu Cooperative Union was subject to investigation; therefore the results of this research might not be conclusive in giving a general picture in all distributing companies.

6.5 Contributions of the study

Bugisu Cooperative Union will be able to improve on its inventory management practices which will assist in achieving competitive results and there will also be an opportunity of revising its storage practices to improve on its financial performance. Finally, Bugisu Cooperative Union will know exactly what affects their financial performance and the solutions they need to apply. After management has put all the recommendations into practice, the sales will be improved and high levels of customer satisfaction and ultimately, more profitable levels. If Bugisu Cooperative Union starts recognizing and rewarding proper inventory management for their achievements, it will make them feel more appreciated and the company will go an extra mile.

6.6 Areas for Further Research

The researcher identified a number of study areas that need further investigation and these included the following;

Based on the findings of the study, further research has been recommended on more lead time practices that affect organizational performance other than the

ones identified in the study.

Further studies should be considered to explore the drivers and the challenges of inventory management practices in organizations. This would be useful to understand the drivers that relationship the embracement of inventory management practices and the challenges being faced by organizations who have embraced inventory management practices

6.7 Conclusion

This chapter summarized the key findings of the study, emphasizing the critical role of effective inventory management practices specifically storage management, materials handling, and lead time management in enhancing the financial performance of Bugisu Cooperative Union. The analysis of the data revealed significant relationships between these practices and overall financial outcomes, indicating that improvements in these areas could lead to reduced costs, increased efficiency, and greater profitability. Based on these insights, the recommendations provided aim to guide Bugisu Cooperative Union in implementing strategic changes that foster better inventory management, ultimately contributing to the organization's long-term sustainability and competitive advantage in the market

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APPENDICES APPENDIX

1: QUESTIONNAIRE APPENDICES

Appendix I: Research Questionnaire

A questionnaire to assess the relationship between of inventory management practices and financial performance of Bugisu Cooperative Union, Uganda

Dear respondent,

This is an academic research intended to assess the relationship between of inventory management practices and financial performance of Bugisu Cooperative Union, Uganda**.** The purpose of this study and its findings is purely academic. I kindly request for your assistance by sparing some of your precious time to answer the following questions. The study will take about 30 minutes only. I would appreciate your honest opinions. Be assured that your responses will be completely anonymous and therefore any information you provide in here will be treated with strict confidentiality.

Thank you

Section A: DEMOGRAPHIC DATA

Tick where applicable

1. Gender
    1. Female ☐
    2. Male ☐

2. Marital status

    1. Single ☐
    2. Married ☐
    3. Divorced ☐
    4. Widowed ☐

3. Age

1. Below20 ☐
2. 21-30 ☐
3. 31-40 ☐
4. 41 and above ☐

4.Education level

1. Secondary ☐
2. Diploma ☐
3. Degree ☐
4. Masters ☐

5.Work experience:

1. Less than 1 year ☐
2. 1 to 5 years ☐
3. 5 to 10 years ☐
4. above 10 years ☐

6.Which department do you belong to?

1. Top management ☐
2. Stores ☐
3. Purchasing ☐
4. Accounts ☐

Please specify……..

For the following questions, please tick the number of your choice as indicated in the Key

1.Strongly Disagree	2. Disagree	3.Not Sure	4.Agree	5.Strongly Agree

INDEPENDENT VARIABLE						
Section B: storage management practices and performance of Bugisu Cooperative Union						
1.	Inventory Management practices contribute greatly to the performance of Bugisu Cooperative Union	1	2	3	4	5
2.	Inventory Management helps in inventory planning and scheduling in Bugisu Cooperative Union	1	2	3	4	5
3.	Procurement/purchase dates and quantities are improved by inventory management practices	1	2	3	4	5
4.	Cost reduction in Bugisu Cooperative Union is a result of inventory management practices	1	2	3	4	5
5.	Inventory Management helps in effective stores management of Bugisu Cooperative Union	1	2	3	4	5
6.	Internal coordination in Bugisu Cooperative Union can be improved by inventory management	1	2	3	4	5
7.	Improved customer service can be realized with inventory management	1	2	3	4	5
8.	Good management practices to inventory Management in Bugisu Cooperative Union	1	2	3	4	5
Section C: Materials handling practices and performance of Bugisu Cooperative Union						

9.	Material handling practices in the organization lead to reduction in wastes	1	2	3	4	5
10.	Material handling practices in the organization lead to Reduction in production costs	1	2	3	4	5
11.	Material handling practices in the organization lead to Increased product quality	1	2	3	4	5
12.	Material handling practices in the organization lead to Timely deliveries	1	2	3	4	5
13.	Material handling practices in the organization lead to Increased profitability	1	2	3	4	5
14.	Material handling practices in the organization lead to Reduced stock levels	1	2	3	4	5
15.	Material handling practices in the organization lead to Decreased production cycle times	1	2	3	4	5
16.	Material handling practices in the organization lead to System flexibility	1	2	3	4	5
Section D: Lead time management practices and performance of Bugisu Cooperative Union						
17.	Lead time management practices in the organization lead to Reduction in inventories	1	2	3	4	5
18.	Lead time management practices in the organization lead to Shorter production cycle times	1	2	3	4	5
19.	Lead time management practices in the organization lead to Reduced obsolescence and surplus	1	2	3	4	5

20.	Lead time management practices in the organization lead to Reduction in materials cost	1	2	3	4	5
21.	Lead time management practices in the organization lead to Improvement in product quality	1	2	3	4	5
22.	Lead time management practices in the organization lead to Increased sales	1	2	3	4	5
23.	Lead time management practices in the organization lead to Increased profitability	1	2	3	4	5
24.	Lead time management practices in the organization lead to Increased customer satisfaction	1	2	3	4	5

DEPENDENT VARIABLE						
Section E: Organizational performance						
25.	My organization is growing faster.	1	2	3	4	5
26.	My organization is more profitable.	1	2	3	4	5
27.	My organization is providing higher quality services.	1	2	3	4	5
28.	My organization is efficient in using resources.	1	2	3	4	5
29.	My organization is delivering orders quicker.	1	2	3	4	5
30.	In my organization, everything that matters to performance is explicitly reported.	1	2	3	4	5
31.	My organization has a large market share in Uganda	1	2	3	4	5
Thank you						

Appendix II: Interview Schedule

section 1:Storage Management Practices and Financial Performance

Can you describe the current storage management practices implemented at Bugisu Cooperative Union?

How do these storage practices impact the efficiency of operations within the Union?

What measures are in place to monitor and evaluate the effectiveness of storage management?

Have you noticed any correlation between storage management practices and the financial performance of the Union? If so, could you elaborate?

What challenges does the Union face in storage management, and how do these challenges affect financial outcomes?

Section 2: Materials Handling Practices and Financial Performance

What materials handling practices are currently adopted by Bugisu Cooperative Union?

In what ways do you think materials handling affects the operational efficiency and cost management of the Union?

Can you provide examples of how improvements in materials handling have led to financial gains or losses for the Union?

How are materials handling practices monitored for effectiveness and compliance?

What challenges related to materials handling do you encounter, and how do these challenges influence the Union's financial performance?

Section 3: Lead Time Management Practices and Financial Performance

What lead time management practices are in place at Bugisu Cooperative Union?

How do you measure the effectiveness of lead time management in your operations?

Can you describe any specific instances where lead time management has directly impacted the Union's financial performance?

What tools or techniques do you use to reduce lead times, and how have these affected overall costs?

What barriers to effective lead time management have you identified, and how do these barriers relate to the Union's financial outcomes?

Thank you.

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DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 21st/09/2024
Name of Candidate: NAMBOZO PHOEBETH. **Reg. No:** S19/MUC/MBA/532
Title of Dissertation ……INVENTORY MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE OF BUGISU COOPERATIVE UNION, MBALE CITY

SN	COMMENTS BY EXTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	Provide a logical explanation to the background of the study.	Added statistics on the performance of Cooperatives to enhance the background section.	Page 1-7.
2	Write a clear problem statement supported by timely and relevant evidence.	Rewrote the problem statement, incorporating recent data and relevant literature.	8
3	Justify the content scope of the study.	Expanded on the content scope, explaining its relevance to the study objectives.	10 and 12
4	Provide a specific literature source used for the conceptual framework.	Included specific references supporting the conceptual framework and its variables.	9 and 10.
5	Review recent publications in the area of study and integrate their contributions.	Conducted a literature review of recent studies and incorporated	11

		their findings into the review.	
6	Identify the gap in the reviewed literature.	Clearly identified and articulated the gaps in the literature related to the study focus.	15-23
	COMMENTS FROM INTERNAL EXAMINER		
7	Explain and justify the study design in the context of the study title.	Justified the chosen study design, explaining its suitability for the research objectives.	24
8	Provide a credible source to interpret the study findings.	Cited credible sources that explain the interpretation of findings, particularly for regression analysis.	33
9	Explain the methodology limitations and how you addressed them.	Added a section discussing methodology limitations and strategies used to mitigate them.	30
10	Merge tables showing frequencies and remove redundant data.	Consolidated frequency tables and eliminated redundant columns for clarity.	33-38
	COMMENTS FROM THE VIVA		
11	Present findings based on the themes reflected by the study objectives.	Organized findings to align directly with the study objectives, improving coherence.	38
12	Report and interpret results from interviews.	Included analysis and interpretation of qualitative data from interviews conducted.	38-61
13	Justify the use of regression analysis based on the study objectives.	Explained the rationale for using regression analysis in context of the study objectives.	40
14	Enrich the discussion of the study findings.	Expanded the discussion section to provide deeper insights and contextualization of findings.	38-61
15	Introduce and conclude every chapter.	Added introductory and	1-74

		concluding sections for each chapter to improve flow.	
16	Edit all the English mistakes in the thesis.	Conducted a thorough review and edited for grammatical and stylistic errors.	1-74
17	Include all citations in the final reference list.	Ensured all citations from the text are accurately reflected in the reference list.	1-74

Final Evaluation

The corrections have been addressed satisfactorily, and the dissertation is now worthy of the award of an Executive Master's Degree in Business Administration from UCU.

NAMBOZO PHOEBETH **MR MASUBA MARTIN**

Candidate'sName **Signature** **Supervisor's Name** **Signature**

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BUSINESS DEPARTMENT

FACULTY HUMAN RESOURCE ADMINISTRATION MANAGER

To THE MANAGER

BUGISU CO-OPERATIVE UNION LTD.

Permission granted to Carryout Research from the Union for two weeks from 22nd March to April 2023

12/03/2023

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss. NAMBOZO PHOEBETH

Of Registration Number; 519/MUC/MBA/532 pursuing a Masters' Degree/Postgraduate Diploma / Bachelor's Degree IN BUSINESS ADMINISTRATION.

He/ she is required to carry out an academic research on the topic INVENTORY MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE.

and thereafter produce a well bound hard cover research report (**MAROON**) in color for undergraduate and three (**BLACK**) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.
Thank you.
Yours faithfully,

Henry Omache
Head of Business Department UCU-MUC

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