

THESIS TITLE

**The Impact of Strategic Inventory Management on
Organizational Performance with mediating role of Procurement
Practices; An Evidence from FMCG sector in Pakistan**



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Abstract

This study investigates the mediating role of procurement practices between inventory management and organizational performance, Inventory exists in almost every company, a good understanding and strategic inventory management is essential for an organization. FMCG industry is inventory intensive this needs strategic decision to control inventory management. The challenges faced by organizations can be reduced by ensuring best practices in procurement. Against this study, the research recommends that organisations diversify their inventory system according to specific production needs and manage their inventory system closely to ensure production uniformity for business profitability and efficiency. In this regard This study is done to empirically examine the mediating role of procurement practices between inventory management and organizational performance. Data for the study were collected from 200 FMCG's (fast moving consumer good) operating in the FMCG sector. The results indicate that notable level of inventory management practices can lead to an ensured competitive advantage and exceeding organizational performance. Furthermore, procurement practices can influence the organizational performance directly and positively. Study also examined the impact on the organizational performance of the company of different stock management factors. These include the stock out, the capacity utilization and stock availability. Data collected from 200 FMCG's in Pakistan using a Likert scale questionnaire. Data was analysed by using Cronbach alpha reliability technique with the help of Statistical Package for Social Sciences (SPSS). Moderation Analysis conducted through the Barron and Kenny method which reflects the statistically significant and true result to the model analysis. This study demonstrated that an improvement in procurement practices is positively correlated with organizational performance and the result of the study confirms the significant mediating role in the model and derives the practical implication of the study to the FMCG SECTOR in Pakistan.