

Majors: SCM

Serial No: 08

**THE IMPACT OF PROCUREMENT OUTSOURCING
PRACTICES ON SUPPLY CHAIN PERFORMANCE OF MNCs:
EVIDENCE FROM PAKISTAN**



By:

Danish Iqbal

01-322181-006

Supervisor:

Adil Hashmi

Department of Business Studies

Bahria University Islamabad

Spring 2020

FINAL PROJECT / THESIS APPROVAL SHEET

Viva-Voce Examination

Viva Date 20 / 07 / 2020

Topic of Research : THE IMPACT OF PROCUREMENT OUTSOURCING PRACTICES ON SUPPLY CHAIN PERFORMANCE OF MNCS: EVIDENCE FROM PAKISTAN

Names of Student(s): DANISH IQBAL **Enroll #** 01-322181-006

Class: MBA- WEEKEND (2 Years)

Approved by:

Mr. Adil Hashmi
Supervisor

Ms. Izza Shahzad
Examiner-I

Mr. Khalid Mumtaz
Examiner-II

Dr. Syed Haider Ali Shah
Research Coordinator

Dr. Muhammad Ali Saeed

Head of Department
Business Studies

ABSTRACT

This study is focused mainly on identifying the impact of procurement outsourcing practices and supply chain performance in MNCs of Pakistan. This study has considered warehousing services, distribution and logistics services, consultancy services and inventory management as independent variables. Whereas, supply chain performance has been considered as the dependent variable in this study. However, this study has finalized MNCs of Pakistan to testify the relationship between variables mentioned above. The major emphasis in this study has been on assessing the relationship between warehousing services, distribution and logistics services, consultancy services and inventory management (independent variables) and supply chain performance (dependent variable) in MNCs of Pakistan. To prove this relationship, a survey has been conducted through an adopted structured questionnaire regarding this literature, in which employees working in FMCGs of Pakistan, have been requested to share their experiences by filling the questionnaires. Then, to identify the results on data gathered from the respondents, statistical instruments have been used. Some of the statistical instruments used in this study includes descriptive frequencies, reliability, correlation, regression, etc. Results derived through statistical instruments have shown that there exists a significant positive relationship between warehousing services, distribution and logistics services, consultancy services and inventory management (independent variables) and supply chain performance (dependent variable) in MNCs of Pakistan. Conclusively, it can be said that procurement outsourcing practices positively impact supply chain performance of MNCs in Pakistan.

Key Words: Procurement Outsourcing Practices, Warehousing Services, Distribution & Logistics Services, Consultancy Services, Inventory Management, Supply Chain Performance, Fast Moving Consumer Goods (FMCGs), Multinational Companies (MNCs), etc.

ACKNOWLEDGEMENT

From the deepest of my heart, I would like to thank Almighty ALLAH for the unconditional love He has shown me throughout my life and strength He has provided me to cope with any challenges that came across in my life. I would like to thank and appreciate the effort of my supervisor Mr. Adil Hashmi who has shown his devotional commitment towards the accomplishment of this dissertation. His professional guidance, overwhelming attitude and irresistible support has made this dissertation a possibility within limited span of time allowed. I would like to thank my family, as I am very grateful for their love and support through every thick and thin phase of my life. My family has been the prime reason behind the success and achievements that I have in my master's degree. I owe a great debt of gratitude to my parents for their continuous support and for being my motivation throughout my life. I would like to appreciate the supporting effort of my graduate friends who has helped me a lot throughout my graduate degree.

Table of Contents

ABSTRACT	4
ACKNOWLEDGEMENT	5
CHAPTER 1: INTRODUCTION	9
Background of the Study	9
Industry Analysis (MNCs of Pakistan).....	11
Problem Statement.....	12
Research Gap	12
Research Questions.....	12
Research Objectives	13
Significance of the Study.....	13
Operational Definitions of Key Terms	14
Thesis Structure	14
Summary of the Chapter	15
CHAPTER 2: LITERATURE REVIEW	16
Procurement Outsourcing.....	16
Warehousing Services	18
Distribution and Logistics Services.....	20
Consultancy Services.....	22
Inventory Management.....	23
Supply Chain Performance	25
Theoretical Background	28
Theoretical Framework.....	32
Research Hypotheses	33
Summary of the Chapter	33

CHAPTER 3: RESEARCH METHODOLOGY	34
Introduction.....	34
Research Design	34
Research Variables	34
Research Approach.....	34
Research Strategy	35
Research Instrument	35
Unit of Analysis.....	35
Population.....	35
Sample Size	35
Sampling Technique.....	36
Data Collection Procedure.....	36
Data Analysis Techniques	36
<i>Correlation Analysis</i>	36
<i>Regression Analysis</i>	37
CHAPTER 4: DATA FINDINGS AND ANALYSIS.....	38
Introduction.....	38
Data Analysis.....	38
<i>Reliability</i>	38
<i>Descriptive Frequencies</i>	39
<i>Correlation Analysis</i>	40
<i>Regression Analysis</i>	41
Data Findings.....	43
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS	46
Discussion.....	46
Conclusion	46

Recommendations & Future Research	47
Research Limitations	47
Research Implications	48
REFERENCES	49
APPENDIX	51