

The Impact of Supply Chain Management Practices on Organizational Performance



By:

Name: USMAN IJAZ

Enrolment #:01-120112-089

MBA

Supervisor:

SALMAN HASSAN QAISER

Department of Management Sciences

Bahria University, Islamabad.

2014.

Abstract

The study seeks to determine and measure the extent of supply chain management (SCM) practices on performance of the organization in the manufacturing sector of Pakistan. Small and medium size industries in Pakistan or in other less urban countries are in front of obstacles due to irresponsive practices of SCM and its improper guideline. Most of the time, large organizations are mostly considered for research while SMEs are ignored. The study under consideration is based upon the framework designed for assessing the concussion of supply chain practices on organizational performance of the firm by (Muhammad, Qayyum, Ali, & Shazad, 2013). The intension of the study is towards the development of a model in order to help organizations, professionals and practitioners in defining and achieving their strategies related to SCM and performance. The framework depicts the cause and effect bond between SCM practices and organizational performance. The learning was conducted under the umbrella of positivist paradigm, expecting to approach the most appropriate mechanism in testing the hypothesis of the study. This study has observed that all variable have significant relationship. Data for the study was acquired through structured questionnaire from the owners, management and employees of manufacturing firms specifically from leather industry in the city of Sialkot, Pakistan. The study provided outcome on how and to what extent the SCM practices impacts organizational performance in the manufacturing sector of Pakistan. The research supported the main hypothesis that organizational performance is enhanced by supply chain management (SCM) practices. Furthermore, for the dimensions of SCM practices on performance, two sub hypothesis were supported that customer relations (CR) and quality of information being shared (IQ) does impact performance, while for strategic supplier partnership (SSP) and information sharing (IS) with suppliers, the results were found insignificant.

Acknowledgement

This research might have been impossible without the continuous support and help of my supervisor **Salman Hassan Qaiser**. I am also thankful to Bahria University.

I would like to express my gratitude towards my parents & member other members of my family for their prayers and encouragement which help me in completion of this research.

My appreciations also go to my friends in developing the research and all those who have helped me in successful completion of the research.

Dedication

I dedicate this research to MS. PARVEEN AKHTER (my mother) and family whose prayers and support helped me at every stage of my life. I also dedicate it to my teachers, my friends and all those from whom I came to learn even a single word. My work is also dedicated to the city of Sialkot and those whose teaching efforts brought me to the stage where I am now. I also dedicate my research to my friends whose continuous support and encouragement helped me to complete this research successfully.

Table of Contents

FINAL PROJECT APPROVAL SHEET	i
Abstract	ii
Acknowledgement.....	iii
Dedication	iv
Table of Contents	v
1. Introduction:	1
2. Literature review:	4
Table 1: SCM defined by Researchers	5
Figure 1: Supply Chain Network	6
Figure 2: Type of Relationship.....	9
Figure 3: The Global Supply Chain Forum Model	13
Table 2: List of Sub-Constructs for SCM Practices	18
Figure 4: Lambert, (2008)	22
Table 3: Organizational Performance Measures	29
Problem Statement:	30
Objectives and Research Questions:	31
Hypotheses:	31

Theoretical Framework:	32
Figure 5: Theoretical Framework.....	33
Table 4: Dimensions of Variables.....	33
3. Methodology	34
3.1. Items Generation:.....	34
3.2. Instrument Development:.....	34
Table 5: Cronbach’s Alpha for Instrument	35
3.3. Sample and Data Collection:	35
3.4. Measures:	35
4. Results:.....	36
4.1. Demographic Section:.....	36
Table 6: Frequencies – Sex & Nature of Organization	36
Age:	37
Education:.....	37
Job Title/Designation:	38
Experience:.....	39
4.2. Correlation Analysis:	39
Table 7: Correlations.....	40
4.3. Regression Analysis:.....	40
Table 8: Model Summary.....	41

Table 9: ANOVA ^a	42
Table 10: Regression Coefficients ^a	43
5. Discussion:	43
Table 11: Hypotheses Summary	45
6. Conclusion:.....	46
7. Limitations:	46
8. Future Implications:	47
References:	48