Indira Gandhi National Open University

Course Code – MS – 100

Course Title – Project Course

A Study of Supply Chain Management (SCM) Practices & Performance at Ambassador Garment & Trade PLC

By

Tsegaye Geda

(Enrolment No. – ID 1051373)

Research Project Report to be Submitted to the Co-ordinator, School of Management Studies, IGNOU in Partial Fulfillment of the Requirements for the Degree of Master's of Business Administration (MBA) in Operations Management

October 2016

Addis Ababa, Ethiopia

Certificate OF Originality

This is to certify that the project titled "A Study of Supply Chain Management (SCM) Practices and Performance at Ambassador Garment and Trade PLC" is an original work of the student and is being submitted in partial fulfillment of for the award of the Master's Degree in Business Administration of Indira Gandhi National Open University. This report has not been submitted earlier either to this University or to any other University/ Institution for the fulfillment of the requirement of a course of study.

SIGNATURE OF SUPERVISOR

Place:

Date:

SIGNATURE OF STUDENT

Place:

Date:

Acknowledgment

With sincerity, I would like to express my heartfelt gratitude to my advisor, Matiwos Ensermu (PhD) for his meticulous rectification, valuable support and guidance to come up with the research work.

My gratitude is extended to Mr. Girma Abebe for his advice, unconditional support and skilled editing the whole research report.

My special thanks go to Mr. Seid Mohammed Birhan, owner and Managing Director of Ambassador Garment & Trade PLC, who allowed me the opportunity to conduct this research on his firm.

I would also like to take this opportunity to thank Ambassador Garment & Trade PLC Management members and employees, who responded to my questionnaires in coming up with the research.

My thanks also go to Mrs. Yetnayet Abebe, for formatting, shaping and printing out this research report in a manner suited to the reader.

Finally, I appreciate kind support of my wife Mrs. Maria Alfonso, my loving sons and daughter who are always there for me.

Table of Contents

Page

List of Tables

List of Figures

List of Acronyms

BSC: Balanced Scorecard

CA: Competitive Advantage

CSCMP: Council of Supply Chain Management Professionals

CR: Customer Relation

CSR: Corporate Social Responsibility

EFY: Ethiopian Fiscal Year

ERP: Enterprise Resource Planning

ETGAMA: Ethiopian Textile and Garment Manufacturing Association

GTP: Growth and Transformation Plan

GDP: Gross Domestic Product

IJMVSC: International Journal of Managing Value and Supply Chains

KPI: Key Performance Indicators

LIS: Level of Information Sharing

MOI: Ministry of Industry

ORP: Organizational Performance

PLC: Private Limited Company

SBSC: Sustainable Balanced Scorecard

SCM: Supply Chain Management

SCMP: Supply Chain Management Practice

SPSS: Statistical Package for the Social Sciences

SSP: Strategic Supplier Partnership

QIS: Quality Information Sharing

Abstract

Supply chain management (SCM) is a key strategic factor for increasing organizational effectiveness and for better realization of organizational goals such as enhanced competitiveness, better customer care and increased profitability. Supply chain management practices (SCMP) are defined as the set of activities undertaken by an organization to promote effective management of its supply chain. This paper develops a framework showing the effect of the four constructs of SCMP (strategic supplier partnership, customer relationship, level of information sharing and quality of information sharing) , and tests the relationships between SCM practices, competitive advantage and organizational performance. Data for the study were collected from the firm under study from its head office 51 and 39 respondents from branches within Addis Ababa. Sample sizes were determined by Krejcie, R & Morgan rule using purposive sampling technique. Questionnaires administered and were coded and entered the SPSS. The relationships proposed in the framework were tested using Pearson correlation coefficient and casual relationships were analyzed using regression analysis. Research findings indicate that SCM practices have positive effects on competitive advantage and organizational performance. Further, SCM practices have very strong, positive relationship with competitive advantage, and weak, positive relationship with organizational performance. With respect to the relationship of competitive advantage with organizational performance, the study concluded that there is positive, but weak relationship is resulted. However, in various studies competitive advantage can have a direct, positive effect on organizational performance. Hence, to strengthen and move ahead in marketing and financial performance within a period of time through organizational performance, it is advisable for the firm to give more importance to develop strategic capabilities to link SCM practices to the dimensions of competitive advantage. Furthermore, It is highly recommended that a comprehensive research effort be undertaken having gone through the limitations of this study.

Keywords: **Supply Chain Management practices, Competitive Advantage, Organizational Performance**

CHAPTER ONE

INTRODUCTION

1.1. Overview of Ethiopian Textile Manufacturing Sector - Background

Ethiopia has a long history of handmade garments which has been in progress in the form of cottage industry until this date. Inputs for the garments are mainly indigenous raw cotton, processed by hand in various forms so as to enable make traditional garments having very good workmanship to satisfy demand of customers. According to (Mulat *et al.*, 2004) in Ethiopia, spinning and weaving to make cloths from cotton is perhaps as old as the history of the country. Though written records are scarce, it is widely believed that Ethiopians wore clothes woven from cotton fibers centuries ago. Still about 85% of the total population living in rural areas of the country, produces a significant part of its textile needs from the traditional non-industrial sector. Clothes that are woven from cotton are popular also in urban areas of the country.

Although, having garment manufacturing history which traces back for years and coupled with modern technology, the sub-sector contribution to the country's economy until recent past was insignificant. (Loop, 2003) Ethiopia has a very long history of manufacturing handcrafts but Modern manufacturing has not yet contributed to the development of the country.

At the end of the 19th and beginning of the 20th century, industry came into existence by foreigners producing consumer goods. This was due to the country's internal stability, establishment of Ethio-Djibouti railway and a sizeable foreign investment to the country (MOI, 2013).

Between the years 1928 and 1940 eleven factories were established and relative expansion of the sector was witnessed in 1941 and 1952 when the Imperial Government strengthened its foreign

ties with U.S and Great Britain. Launching of foreign relation and provision of attractive incentives to the manufacturing sector paved the way for the establishment of more factories for the production of ceramics, marble, glasses and other products. As stated in the publication, (MOI, 2013) the manufacturing industries from 1960 to 1972 increased from 1.9% to 4.5% in terms of Gross Domestic Product (GDP). The total value of Production of the factories increased from 219.7 million Birr in 1964 to 890.2 million Birr in 1973.It is worth mentioning here that the coming of various foreigners brought entrepreneurial concept to the country.

During the period 1973 – 1990 the policy of Military regime was for the expansion of foreign investment for medium and big industries and minimum attention was given to small industries. But the number of factories increased from 140 in 1975 to 166 in 1989. The system encouraged a central planned economy, depriving the private sector from market access, limiting capital ceiling and nationalizing all previous manufacturing private establishments. However, within the same period the number of workers engaged in the factories grew from 55,205 to 82,823 and this employment figure took 14 years showing such a slow development (MOI, 2013). On the other hand, the value of production of the industries was 738.6 million Birr in 1975; 1,450.8 million Birr in 1978 and 1.8 million Birr in 1989, respectively.

After1990, the socialist system of Government was replaced by the Government of FDRE. One of the primary responsibilities of the government clearly pointed out in the Industrial Policy and Strategy is creating conducive environment for industrialization; which includes: Stable macro-economic environment, development of conducive financial system, reliable infrastructure provision, and trained manpower, effective and efficient administrative structure.

Factors such as favorable investment and privatization of various industries have made significant contribution to an increase in number of the private industries and employment

opportunities for workers (MOI, 2013). Consequently, the manufacturing sector has contributed from 6 to 7% in Gross Domestic Product, 0.5% to 5.3% in creating job opportunities and 10% to 15% in export revenue.

As noted in (GTP, 2003-2006 EFY) among the manufacturing sectors Textile and apparel industries Leather and leather products industries, Metal and engineering industries, Meat and Dairy industries, Chemical industries (including cement industries), Pharmaceuticals industries, Food and Beverage industries are given special strategic emphasis.

Textiles and garments subsector is one of the best demonstrations of the industrialization stride and the success of the policy as it became to receive substantial interest from key global textile companies.

According to Ethiopian Textile and Garment Manufacturing Association (ETGAMA), 2014 the establishment of garment industries is on increasing trend from time to time and currently the number has reached 80 composed of both foreign and domestic investors in the furtherance of the strategy set by the government.

Currently, Ethiopia is striving towards industrial development putting in place various policy measures and strategies more than ever before. These comprised of and manifested in Industrial Development Strategy and the Five Years Growth and Transformation Plan (GTP).

Both of them are intended to accelerate and bring about substantial contribution to economic growth of the country. In this respect, the manufacturing sector has been given prime importance in anticipation of structural shift in the whole economic life of the country. In the five year Growth and Transformation Plan, textile and clothing manufacturing sub sector has been given prime importance and support with a view to upgrade modern technology, developing human

resources and increasing the output both in terms of quality and volume and earn the planned foreign exchange from export trade so that the sub-sector can contribute substantial amount of its share to the national economy. What to be highly considered and looked for here are the strategic aspects of garment industries of supply chain management practices.

As stated in AJBMS, (Vol. 2 No. 8 [60-72]) the apparel industry stands out as one of the most globalized industries in the world and it is a supply driven commodity chain led by a combination of retailers, contractors, subcontractors, merchandisers, buyers, and suppliers; each plays an important role in a network of supply chains which spans from fibers to yarn, to fabrics, to accessories, to garments, to trading and to marketing. The peculiar characteristics of apparel supply chain are short product life cycle, high volatility, low predictability and high impulsive purchasing. These factors bring high pressure to apparel retailers to manage their supply chains.

Despite various evidences regarding performance improvements related to SCM , relatively few empirical study exist to measure the extent of performance improvements resulting from the SCM programs especially with respect to Ambassador Garment Factory & Trade PLC. The study examined the practices of supply chain management practices and effects on competitive advantage and organizational performance of the firm.

1.2. Company Background

Ambassador Garment and Trade is a company located in Addis Ababa, Ethiopia and is a Private Limited Company established and registered in 1980 in accordance to the laws of the Federal Democratic Republic of Ethiopia. It started the business from an experienced and skilled entrepreneur one man patching cloth to a level where it is now as one of the largest garment factories in the country. The company has an area of 12,456 square meters land with a total

production facility of 2260 m^2. The Factory is organized with new production equipment and machines imported from renowned foreign companies in the production and supply of worldwide garment industry. The subsequent sections comprise products, technology, workforce, sales and distribution of the company.

1.2.1. Company Products

The production facility is designed and organized as to suit flexibility to satisfy customer demands and deliver customer–oriented products. Over the years, the company has been manufacturing a wide variety of basic products, such as: men suit 3pcsSuit, 2pcs Suit, Coat (Jacket) & Trousers, Ladies Suit, Kid's Suit using various fabrics. Assessing the market trends, it is now in the production of men's knit-wear using 100% wool, wool & polyester 50/50% and 65/35% respectively.

1.2.2. Technology

As mentioned above, the company is manufacturing various stylish and fashionable knit-wears with very flexible and popular brand technology, consisting of modern equipment and machines at every stage of functional sections - cutting, designing & pattern making, make up section, finishing, and quality control. At every functional section rigorous check-up is conducted to minimize or avoid any sort of production errors. It is worth mentioning, here that the company is awarded and given recognition of ISO 9001:2008 (QMS) for quality workmanship of supplies.

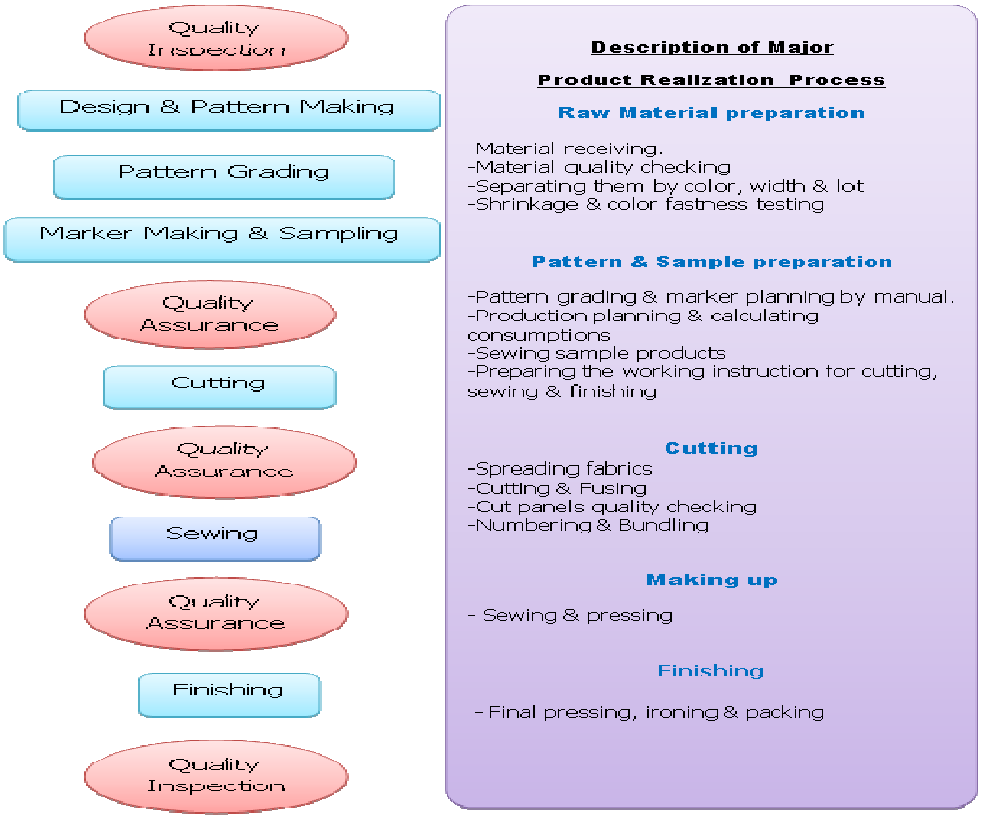

Figure 1: Major Garment Production Processes

Source: Company Leaflet, 2015.

1.2.3. Capacity Utilization and Workforce

In its endeavor to utilize its full capacity, the company manufactures 600 pieces of men suits per day with combined workforces numbering 800 of whom 62% male and 38% female and carries out this production in a single shift. The market demand for the last couple of years indicates an increasing trend for the company's supplies; an expansion project plan is formulated to double the existing capacity in the near future.

With regard to safety, the company has organized clearly demarcated emergency routes and exits, smoke and fire detectors, consciously designed working lay-outs to ensure a safe workplace for workers. Besides, the company management has put in place various motivational

incentives for more productivity of employees and is discharging also its corporate social responsibility (CSR) from to time with a view to share societal development objectives.

1.2.4. Marketing and Distribution

One of the core values highlighted in the promotional leaflet of the company is "Customer Focus". The company's marketing and sales objectives are to operate locally for the moment and in the long –run building up its capacity in all aspects of requirements and to go for export marketing. There are 84 branches at different geographical locations of the country and through these outlets sales is carried out and performance is monitored, on regular basis. Hence, order lead time, inventory control, logistics and timely delivery are major activities for the company's management to achieve set objectives.

1.3. Statement of the Problem

Textile and clothing has always been one of the requirements for human beings and it is also an age old industrial activity. According to IDE, 2007 spinning and weaving were the main activities that drove the Industrial Revolution in the 18th century. Since then the textile industry has been a leading industry in the initial phase of industrialization in many countries in different periods of time. This leading role of the textile industry in industrialization was also significant in high -and- middle countries in Asia, too.

With this understanding, the government of Ethiopia has defined a policy where one of the tasks identified is rapid export growth through production of high value agricultural products and increased support to export oriented manufacturing sectors such as textile and garment (Theo Van Der Loop, 2003). Indeed, this sort of creating favorable environment for the sector can also be seen in various countries development initiatives that the sector has been a strong base for

successful achievements of several industrial endeavors. Alem (2009) highlights this as many countries are exploiting this industry for reasons of economic growth.

In this respect, Ethiopia is among African countries that has potential for cotton production and export. ESTC, (2006) states that Ethiopia has an estimated area of 2,575,810 hectares that is suitable for cultivation of cotton. Until a decade ago, this potential has not been utilized as a competitive advantage to supply various products which have demand for international market. Again, Alem (2009), identifies the reason for this failure are manifold, and extend vertically through the supply chain from poor quality raw materials to poor finishing.

Several factors could potentially hamper performance of garment industries and supply chain management is one of them. Having understood its key role and benefits mainly for manufacturing firms, it has gained high popularity since the early 90s. Drucker (1998) went as far as claiming there was a paradigm shift within the management literature:

> "One of the most significant changes in paradigm of modern business management is that individual businesses no longer compete as solely autonomous entities, but rather as supply chains. Business management has entered the era of inter-network competition and the ultimate success of a single business will depend on management's ability to integrate the company's intricate network of business relationships."

In today's ever increasing competition and globalized business environment, manufacturers have been exploring innovative technologies and strategies to achieve and sustain competitive advantage. One of the strategies which have got wide acceptance and agreement among academicians and practitioners is supply chain management (SCM) Heriberto et al (2010). As a

new way of doing business, however, a growing number of firms have begun to realize the strategic importance of modeling and improving the whole supply chains.

According to Towil and Christopher, (cited in Thatte, 2007), the end customer in the market place today determined by the success or failure of supply chains management practices. They stated that getting the right product, at the right price, at the right time to the customer is not only improved competitive success but also the key to survival.

A clear understanding of supply chain concepts and a willingness to openly share information between supply chain partners is a necessary first step to taking the supply chain a competitive force for a business.

Coming back to the company under study, inputs such as quality fabrics and accessories are imported from foreign suppliers with an increased order lead time. As it is learnt from the company , importation of these inputs require 120 and more days with all problems at sea port, customs and until it is delivered to the warehouse of the company. The company imports the mentioned inputs due to the unavailability of the required fabrics and accessories production locally.

According to Ageazi, (2014) Garment enterprises use inputs such as fabrics, accessories, and packaging materials to produce apparel both for domestic and export market. At present local textile industries are not in a position to supply the fabrics and other inputs are not locally available in the right quality, quantity, and delivery time. As a result, more than 80% of the inputs needed by garment enterprises are imported from abroad.

As modern garment industries are of recent past in Ethiopia, supply chain management is not in practice in many of these industries and Ambassador Garment & Trade PLC is indifferent to this.

This calls for the experiences of many garment industries in Far East countries Such as China, India, Bangladesh, to mention a few those, where supply chain management strategies are given prime importance as per their own respective requirements to develop the sector and the return is high in terms of employment and foreign exchange earnings from export trade of the items.

To cite an example from Ijmvsc (2013), currently Indian textile Industry contributes about 14% to industrial production 4% to the country's GDP and 17% to country's export earnings. It provides employment to more than 35 million people in the country and is the second largest employment provider sector after agriculture.

In this regard, this study examined the effects of the current supply chain management practices (strategic partnership with suppliers, customer relationship, level of information sharing and quality information sharing) on competitive advantage and organizational performance.

Moreover, the purpose of this study was to understand the level at which the manufacturing is involved in SCM practices as well as to determine the effects of these practices on SCM performance of the company analyzed.

For continuous and sustainable performance improvement program that involves the entire supply chain, it is necessary to put in place a well designed supply chain models that consider the company's business objectives. That is, the existing successful process - oriented models are highly dependent on the current business practices of the firm.

1.4. Research Questions

In view of the above facts, this study sought to address this apparent gap in literature by examining the performance implications of implementing SCM in the context of the manufacturing company.

The purpose of this study was also to understand the level at which the manufacturing is involved in SCM practices as well as to determine the effect of these practices on SCM performance. Accordingly, the opportunities and challenges in supply chain management practices of the company analyzed in the light of the following questions:-

- How do SCM practices (SRP, CR, LIS, QIS) are relate with competitive advantage?
- Does organizational performance related to SCM practices?
- Does competitive advantage have effects on organizational performance?

For continuous and sustainable performance improvement program that involves the entire supply chain, it is necessary to formulate supply chain models that consider the firm's business objectives.

1.5. Hypothesis

It was proposed that supply chain management practices that consisted of strategic supplier partnership, customer relationship, level of information sharing and quality information sharing have an effect on competitive advantage and organizational performance of the firm.

Based on the above statements, the researcher carried out a hypothesis that SCM practices have positive effect on SCM performance of the manufacturing firm.

Accordingly, the following hypotheses were tested:-

H1: Strategic supplier partnership is related to competitive advantage.

H1: Strategic supplier partnership is related to organizational performance.

H1: Customer relationship is related to competitive advantage.

H1: Customer relationship is related to organizational performance.

H1: Level of Information sharing is related to competitive advantage.

H1: Level of Information sharing is related to organizational performance.

H1: Quality of Information sharing is related to competitive advantage.

H1: Quality of Information sharing is related to organizational performance.

H1: SCM practices are related to competitive advantage.

H1: SCM practices are related to organizational performance.

H1: Competitive advantage is related to organizational performance.

1.6. Objectives of the Study

1.6.1. General Objective

The overall objective of the study is to analyze the supply management practices and relation to competitive advantage and organizational performance of Ambassador Garment &Trade PLC.

1.6.2. Specific Objectives

The study sought to achieve the following specific objectives:-

- To examine the relationship between SCM practices (SRP, CR, LIS, QIS) and competitive advantage.
- To examine the relationship between SCM practices and organizational performance.
- To examine the relationship between competitive advantage and its effects on organizational performance.

1.7. Scope of the Study

Although supply chain management practices include various forms, this research scope was mainly on examining the existing factory practices and analyze the effect on competitive

advantage and organizational performance through strategic supplier partnership, customer relation , level and quality information sharing practices. The study conducted on the main manufacturing firm and its branches within Addis Ababa, Ethiopia.

1.8. Definition of Terms

SCM- Supply chain management (SCM) is "a key strategic factor for increasing organizational effectiveness and for better realization of organizational goals such as enhanced competitiveness, better customer care and increased profitability" (Gunasekaran et al., 2001)

SCMP- SCM practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain. Tan et al. (2002) identify six aspects of SCM practice through factor analysis: supply chain integration, information sharing, supply chain characteristics, customer service management, geographical proximity and JIT capability.

Performance Measurement - Performance measurement is defined as the information regarding the processes and products results that allow the evaluation and the comparison in relation to goals, patterns, past results and with other processes and products (Petrovic-Lazarevic and Sohal 2002).

1.9. Significance of the Study

Empirical research provides that SCM contribute to organizational performances. Tan et al (1998) found that customer relation and purchasing practice impacts the effectiveness of SCM strategies and lead to the financial and market performances. Could this problem be due to lack of adequate SCM practices? This study therefore seeks to investigate the effectiveness of SCM practices on competitive advantage and organizational performance at Ambassador Garment & Trade PLC.

The question however is, to what extents do supply chain management practices affect or influence the performance of the firm? Is there a recognized and standardized framework for assuring business success through the application of the practices of supply chain management?

This study, therefore, attempted to find some answers to these questions particularly from the firm's perspective and to establish whether supply chain management practices have an effect on competitive advantage and organizational performance or not.

In addition, the purpose of this study was to test a framework identifying the relationships among SCM practices and these would be proposed to be a multi-dimensional concept, including the upstream and downstream sides of the supply chain.

It is expected that this research, by addressing SCM practices simultaneously from both upstream and downstream sides of a supply chain, will help researchers better understand the scope and the activities associated with competitive advantage and organizational performance and SCM and will allow to test the antecedences and consequences of SCM practices.

1.10. Limitations of the Study

The study should have covered the entire manufacturing firm sales outlets to give adequate grounds for generalization of the research findings, but limited time, cost and unable to reach many of these outlets due to distant locations, and the researcher limited to the manufacturing firm and its branches within Addis Ababa.

CHAPTER TWO

LITERATURE REVIEW

2.1. Concept and Definition of Supply Chain Management

SCM is a concept, "whose primary objective is to integrate and manage the sourcing, flow, and control of materials using a total systems perspective across multiple functions and multiple tiers of suppliers" (Monczka, Trent and Handfield, 1994). Stevens (1989) stated the objective of SCM was to synchronize the customers' requirements with materials flow to strike a balance among conflicting goals of maximum customer service, minimum inventory management, and low unit costs.

The supply chain is viewed as a single process. Responsibility for the different divisions in the chain is not fragmented and transferred to functional areas such as manufacturing, purchasing, distribution, and sales. SCM calls for, and in the end depends on, strategic decision-making. "Supply" is a shared objective of practically every function in the chain and is of particular strategic importance because of its impact on overall costs, profits and market share. SCM calls for a different point of view on inventories that are utilized as a balancing mechanism of last, not first, resort. A latest approach to systems is required integration rather than interfacing (Houlihan, 1988).

According to Christopher (1994), a supply chain is "a network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate customer."

Some authors defined SCM in operational terms involving the flow of materials and products, some viewed it as a management philosophy, and others it in terms of a management process (Tyndall et al., 1998), the rest viewed it as an integrated system. Authors have even

conceptualized SCM differently within the same article: as a management philosophy on the one hand, and as a form of integrated system between vertical integration and separate identities on the other hand (Cooper and Ellram, 1993).

This definition implies that SCM involves management of flows of products, information, and finance upstream and downstream in the supply chain. In the course of time, the most considerable benefits to businesses with advanced SCM capabilities will be radically improved customer responsiveness, developed customer service and satisfaction, increased flexibility for changing market conditions, improved customer retention and more effective marketing (Horvath, 2001).

Supply chain includes suppliers, manufacturers, distributors, retailers, and customers. The customers are the main focus of the chain, since the primary purpose of the existence of any supply chain is to satisfy customer needs, in the process generating profit for itself (Chopra and Meindl, 2001). SCM was initially related to the inventory management within a supply chain. This concept was later broadened to include management of all functions within a supply chain. According to Chopra and Meindl (2001), "SCM engages the management of flows between and among stages in a supply chain to minimize total cost". GIRT, (2013) commonly accepted definitions of supply chain management include:-

- The management of upstream and downstream value-added flows of materials, final goods, and related information among suppliers, company, resellers, and final consumers.
- The systematic, strategic coordination of traditional business functions and tactics across all business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole.

- A customer-focused definition is given by Hines (2004:p76):

> "*Supply chain strategies require a total systems view of the links in the chain that work together efficiently to create customer satisfaction at the end point of delivery to the consumer. As a consequence, costs must be lowered throughout the chain by driving out unnecessary expenses, movements, and handling. The main focus is turned to efficiency and added value, or the end-user's perception of value. Efficiency must be increased, and bottlenecks removed. The measurement of performance focuses on total system efficiency and the equitable monetary reward distribution to those within the supply chain. The supply chain system must be responsive to customer requirements."*

- The integration of key business processes across the supply chain for the purpose of creating value for customers and stakeholders (Lambert, 2008).
- According to the Council of Supply Chain Management Professionals (CSCMP), supply chain management encompasses the planning and management of all activities involved in sourcing, procurement, conversion, and logistics management. It also includes coordination and collaboration with channel partners, which may be suppliers, intermediaries, third-party service providers, or customers.

2.2. Evolution of SCM

Before the 1950s, logistics was thought of in military terms (Ballou, 1978). It had to do with procurement, maintenance, and transportation of military facilities, materials, and personnel. The study and practice of physical distribution and logistics emerged in the 1960s and 1970s (Heskett et al., 1973).The logistics era prior to 1950 has been characterized as the “dormant years,” when logistics was not considered a strategic function (Ballou, 1978). Around 1950s changes occurred

that could be classified as a first "Transformation." The importance of logistics increased considerably, when physical distribution management in manufacturing firms was recognized as a separate organizational function (Heskett et al., 1964).

The SCM concept was coined in the early 1980s by consultants in logistics (Oliver and Webber, 1992). The authors emphasized that the supply chain must have been viewed as a single entity and that strategic decision-making at the top level was needed to manage the chain in their original formulation. This perspective is shared with logisticians as well as channel theorists in marketing (Gripsrud, 2006).

The term "supply chain management" (SCM), according to Van der Vorst (2004) is relatively new. It first appeared in logistics literature in 1982 as an inventory management approach with an emphasis on the supply of raw materials (Oliver and Webber 1982). By 1990, academics first described SCM from a theoretical standpoint to clarify how it differed from more traditional approaches to managing the flow of materials and the associated flow of information (Cooper and Ellram 1993)

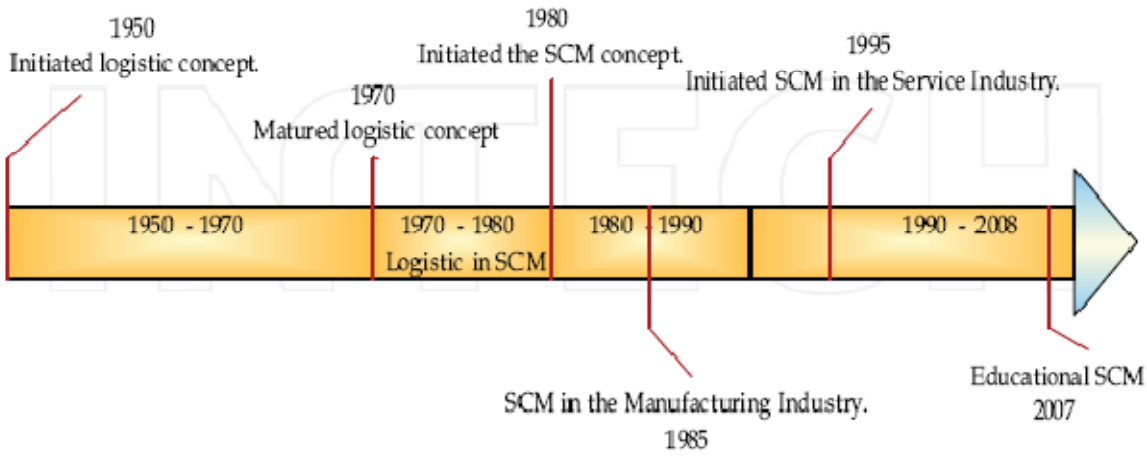

Figure 2: Evolutionary Timeline of SCM

Source: Habib and Jungthirapanich, 2008.

SCM has become one of the most popular concepts within management in general (LaLonde, 1997) since its introduction in the early 1980s (Oliver and Webber, 1992). A number of journals in manufacturing, distribution, marketing, customer management, transportation, integration, etc. published articles on SCM or SCM-related topics. The evolution of SCM continued into the 1990s due to the intense global competition (Handfield, 1998). Berry (1994) defined SCM in the electronics industry.

2.4. Supply Chain Management Strategy

SCM is delivering major economic benefits to businesses as diverse as manufacturing, retail, and service organizations, etc. (Horvath, 2001). The scope of SCM was further expanded to include re-cycling (Baatz, 1995). SCM deals with the total flow of materials from suppliers through end users (Jones and Riley, 1985). It highlights "total" integration of all stakeholders within the supply chain, a realistic approach is to consider only strategic suppliers and customers since most supply chains are too complex to attain full integration of all the supply chain entities (Tan et al., 1998).

Supply chain strategy includes "two or more firms in a supply chain entering into a long-term agreement; the development of mutual trust and commitment to the relationship; the integration of logistics events involving the sharing of demand and supply data; the potential for a change in the locus of control of the logistics process" (La Londe and Masters,1994). Manufacturers are able to develop alternative conceptual solutions, select the best components and technologies, and assist in design assessment by involving suppliers early in the design stage, (Burt and Soukup, 1985).

SCM incorporates logistics into the strategic decisions of the business (Carter and Ferrin,1995). Eventually, the philosophy developed and combined into a common body of knowledge that encompassed all the value-adding activities of the manufacturers and logistics providers (Tan, 2001). Many SCM strategic models have been investigated to link its vital role in overall strategic corporate planning (Frohlich et al., 1997; Watts et al., 1992).

Experts agree that a formal supply chain strategy will be critical to both manufacturing and service industries (Kathawala, 2003). Such ambiguity suggests a need to examine the phenomena of SCM more closely to define clearly the term and concept, to identify those factors that contribute to effective SCM, and to suggest how the adoption of SCM approach can affect corporate strategies, plans, operations and performance.

The growing interest in SCM, according to Lummus and Vokurka (1999) is attributable to three basic factors, thus, growing specialization or focus on core activities by many firms, intense competition from both local and international sources, and the realization by firms that maximizing performance of one department or function may lead to less than optimal performance for the whole company. Agreeing with this assertion, Cooper et al. (1997) in their research concluded that, the concept of SCM arose over the recognition that sub-optimization occurs if each organization in a supply chain attempts to optimize its own results rather than to integrate its goals and activities with other organization to optimize the results of the chain.

2.5. SCM in Manufacturing Sector

SCM, as applied to manufacturing, has been defined differently. These varieties of definitions often carry through to the extent that the key people in the same organization are not speaking about the same things, when they discuss the concept of SCM (Monczka and Morgan, 1997).

First, there are definitions characterized by the simplest concepts of SCM, one is "the ability to get closer to the customer" (Weil, 1998). Another is that the supply chain is the flow of information and material from suppliers to customers (Crom, 1996). A company's supply chain, either internal or external, is a resource to be exploited for better market position and enhanced competitive advantage. Strategic use of this resource requires that companies do the following (Monczka and Morgan, 1997):-

1. Gain a closer understanding of their customer' and future customers' needs, both nationally and internationally;
2. Understand their suppliers' core competencies in meeting customer needs;
3. Determine where redundancies and inefficiencies lie within the supply chain in relation to current and future competitive needs;
4. Develop relationships and alliances with suppliers who have key competencies that strengthen, supplement, and enhance internal core competencies nationally and internationally.

Scott and Westbrook (1991) described SCM as the chain linking each element of the manufacturing and supply process from raw materials to the end user. This management philosophy focused on how firms utilized their suppliers' processes, technology, and capability to enhance competitive advantage (Farley, 1997), and the coordination of the manufacturing, materials, logistics, distribution and transportation functions within an organization (Lee and Billington, 1992). SCM is an integrative philosophy to manage the total flow of a distribution channel from supplier to the ultimate user (Cooper et al., 1997).

SCM, from the viewpoint of a manufacturing sector, may be defined as "taking control of all goods within the supply chain, all materials, no matter how to handle or manage (Sandelands, 1994)." In particular, SCM is the process of effectively managing the flow of materials and finished goods from retailers to customers using the manufacturing facilities and warehouses as potential intermediate steps (Sengupta and Turnbull, 1996).

From these definitions, a summary definition of the supply chain can be stated as: all the activities involved in delivering a product from raw material through to the customer including sourcing raw materials and parts, manufacturing and assembly, warehousing and inventory tracking, order entry and order management, distribution across all channels, delivery to the customer, and the information systems necessary to monitor all of these activities. Supply chain management coordinates and integrates all of these activities into a seamless process. It links all of the partners in the chain including departments within an organization and the external partners including suppliers, carriers, third-party companies, and information systems providers.

2.6. Concept of Supply Chain Management Practices

SCM practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain. Fawcett & Smith et al. (1995) described, Price/cost, quality, delivery dependability, and time to market have been consistently identified as important competitive capabilities.Tan et al. (2002) identify six aspects of SCM practice through factor analysis: supply chain integration, information sharing, supply chain characteristics, customer service management, geographical proximity and JIT capability.

According to Muhammad (2004) this variable refers to several activities or practices related to operational function of firms. It is used to measure the SCM adoption and its level of practices.

Related practices are divided into six dimensions namely strategic supplier partnership, customer relations practices, information sharing, information quality, lean system and postponement.

In reviewing and consolidating the literature, four distinctive dimensions are selected for measuring SCM practice. The four constructs cover upstream (strategic supplier partnership) and downstream (customer relationship) sides of a supply chain, information flow across a supply chain and (level of information sharing and quality of information sharing). Gunasegaram, et al. (2001) explored that SCM needs to be assessed for its performance in order to evolve an efficient and effective supply chain. (Moberg et al., 2002 and Tan et al., 2002) who stated the significance of SCM practices as 'it is not enough to improve efficiencies within an organization, but their whole supply chain has to be made competitive and the understanding and practicing of SCM becoming an essential prerequisite for staying competitive in the global race and for enhancing profitability'.

Conceptual framework of SCM practice on the performance of Ambassador Garment & Trade PLC is defined according to synthesis of analyzed theoretical findings. Consequently, researcher developed the conceptual framework on the basis of Li et al. (2006) model. The model has four major components; (1) Strategic supplier partnerships, (2) Customer relationships,

(3) Level of information sharing (4) Quality of information sharing. The researcher, however, outlines what a SCM practice is and relation with competitive advantage and organizational performance.

2.6.1. Strategic Supplier Partnership

It is defined as the long term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits (Stuart, 1997; Balsmeier and

Voisin, 1996; Monczka et al. 1998; Sheridan, 1998, Noble, 1997). Strategic partnerships with suppliers enable organizations to work more effectively with a few important suppliers who are willing to share responsibility for the success of the products. Suppliers participating early in the product design process can offer more cost effective design choices, help select the best components and technologies, and help in design assessment (Tan et al, 2002). Strategically aligned organizations can work closely together and eliminate wasteful time and effort (Balsmeier and Voisin, 1996). An effective supplier partnership can be a critical component of a leading edge supply chain (Noble, 1997).

2.6.2. Customer Relationship

It comprises the entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction (Claycomb et al. 1999, Tan et al. 1998).Close customer relationship allows an organization to differentiate its product from competitors, sustain customer loyalty, and dramatically extend the value it provides to its customers (Magretta, 1998).

Tan Kc, et.al pointed out, customer relation practices have been shown to lead to significant improvement in organizational performance.

2.6.3. Level of Information Sharing

Information sharing has two aspects: quantity and quality. Both aspects are important for the practices of SCM and have been treated as independent constructs in the past SCM studies (Moberg et al. 2002; Monckza etal. 1998). Level (quantity aspect) of information sharing refers to the extent to which critical and proprietary information is communicated to one's supply chain partner (Mockza et al 1998). According to Stein and Sweat (1998), supply chain partners who exchange information regularly are able to work as a single entity. Together, they can understand

the needs of the end customer better and hence can respond to market change quicker. Novack,et.al (1995) described, by taking the data available and sharing information can be used as a source of competitive advantage.

The statement of Lalonde (1998), which describes sharing of information as one of the five building blocks that characterize a solid supply chain relationship, and have an impact on the performance of organizations' supply chain.

2.6.4. Quality of Information Sharing

It includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged (Moberg et al, 2002; Monckza et al. 2002). While information sharing is important, the significance of its impact on SCM depends on what information is shared, when and how it is shared, and with whom (Chizzo, 1998; Holmberg, 2000) . It appears that there is a built in reluctance within organizations to give away more than minimal information (Berry et al. 1994) since information disclosure is perceived as a loss of power. Given these predispositions, ensuring the quality of the shared information becomes a critical aspect of effective SCM (Feldmann and Muller, 2003). Hall.J.(2000) illustrates, ensuring the quality of the shared information becomes a critical aspect of effective SCM, Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion. Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion. Tompkins and Ang (1999) noted that , consider the effective use of relevant and timely information by all the functional elements within supply chain as a key competitive advantage distinguishing factor.

2.6.5. Competitive Advantage

Competitive advantage is defined as the "capability of an organization to create a defensible position over its competitors" (Li, Ragu-Nathan, Ragu-Nathan, & Rao, 2006).

Tracey, Vonderembse, and Lim (1999) argue that competitive advantage comprises distinctive competencies that set an organization apart from competitors, thus giving them an edge in the marketplace. They further add that it is an outcome of critical management decisions.

Competition is now considered a "war of movement" that depends on anticipating and quickly responding to changing market needs (Stalk, Evans & Schulman, 1992). Competitive advantage emerges from the creation of superior competencies that are leveraged to create customer value and achieve cost and/or differentiation advantages, resulting in market share and profitability performance (Barney, 1991; Day & Wensley, 1988). Sustaining competitive advantage requires that firms set up barriers that make imitation difficult through continual investment to improve the advantage, making this a long-run cyclical process (Day & Wensley, 1988). Porter's approach to competitive advantage centers on a firm's ability to be a low cost producer in its industry, or to be unique in its industry in some aspects that are popularly valued by customers (Porter, 1991).

Most managers agree that cost and quality will continue to remain the competitive advantage dimensions of a firm (D' Souza, 2002). Wheelwright (1978) suggests cost, quality, dependability and speed of delivery as some of the critical competitive priorities for manufacturing. There is widespread acceptance of time to market as a source of competitive advantage (Holweg, 2005). Price/cost, quality, delivery dependability, and time to market have been consistently identified as important competitive capabilities (Fawcett & Smith, 1995; Vokurka, Zank & Lund 2002;

Tracey, Vonderembse & Lim 1999). 'Time' has been argued to be a dimension of competitive advantage in other research contributions (Stalk, 1988; Vesey, 1991; Handfield & Pannesi; 1995). In a research framework, Koufteros, Vonderembse and Doll (1997) describe the following five dimensions of competitive capabilities: competitive pricing, premium pricing, valueto-customer quality, dependable delivery, and product innovation. These dimensions were further described and utilized in other contributions as well (Koufteros Vonderembse & Doll, 2002, Li et al. 2006; Safizadeh, Ritzman, Sharma & Wood 1996; Vickery, Calantone & Droge, 1999). Based on these studies, the five dimensions of competitive advantage most applicable to this study are:

1. Price/Cost - "The ability of an organization to compete against major competitors based on low price" (Li et al., 2006).
2. Quality- "The ability of an organization to offer product quality and performance that creates higher value for customers" (Koufteros, 1995).
3. Delivery Dependability- "The ability of an organization to provide on time, the type and volume of product required by customer(s)" (Li et al., 2006).
4. Product Innovation. "The ability of an organization to introduce new products and features in the market place" (Koufteros, 1995).
5. Time to Market. "The ability of an organization to introduce new products faster than major competitors" (Li et al., 2006).

2.6.6. Organizational Performance

Organizational performance refers to the financial aspect of organizational performance as a final economic goal of firms (Venkatraman & Ramanujam, 1986). The potential indicators of organizational performance include profits, return on investment, return on assets, return on equity, and stock-market performance (Garcia, 2005; Tharenou, Saks & Moore, 2007).

Regarding the classification of organizational performance, several researchers (Davis & Pett, 2002; Hubbard, 2009; Ostroff & Schmidt, 1993) have suggested their perspectives on the classification of organizational performance, but there is little consensus about this issue. The short-term objectives of SCM are primarily to increase productivity and reduce inventory and cycle time, while long-term objectives are to increase market share and profits for all members of the supply chain (Tan, 1998). Financial metrics have served as a tool for comparing organizations and evaluating an organization's behavior over time (Holmberg, 2000). Li et al. (2006) propose that any organizational initiative, including supply chain management, should ultimately lead to enhanced organizational performance.

Hubbard (2009) proposed the Sustainable Balanced Scorecard (SBSC) conceptual framework as an appropriate measure of organizational performance. SBSC includes social and environmental issues in the existing Balanced Scorecard (BSC) by integrating the Triple Bottom Line. In the SBSC framework, the Triple Bottom Line refers to a broader perspective of the stakeholders, and the BSC performance measurement incorporates financial, customer/market, short-term efficiency, and long term learning and development factors as internal processes of the performance measurement.

Additionally, Ford and Schellenberg (1982) addressed that the assessment of organizational performance could be classified into behavioral consequences (e.g., turnover, satisfaction) or non-behavioral consequences (e.g., profit) or intended consequences (e.g., product quality) or unintended consequences (e.g., turnover) (Park, 2009).

Several researchers (Davis & Pett, 2002; Ford & Schellenberg, 1982; Ostroff & Schmitt, 1993) have advocated dimensions of both efficiency and effectiveness for measuring organizational performance. Ford and Schellenberg (1982) asserted that organizations can acquire higher return

when concepts of efficiency and effectiveness are concentrated. Furthermore, Davis and Pett, (2002) proposed a typology of performance consisting of organizational efficiency and effectiveness and provided indicators of both dimensions. The measures of organizational efficiency include after-tax return on total sales and return on total assets. As for organizational effectiveness, the firm's total sales growth and total employment growth are considered.

Another perspective on measuring organizational performance is financial performance versus non-financial performance. Regarding this viewpoint, the conceptual framework presented by Venkatraman and Ramanujam (1986) sheds light on the dimensions of performance in an organization. Venkatraman and Ramanujam (1986) argued that business performance consisted of financial performance and business performance, including both financial performance and non-financial performance. They included both financial performance and business performance in a broader domain of organizational effectiveness. In their conceptualization of organizational performance, they indicated financial performance as a narrower concept relative to business performance. Financial performance highlights the use of outcome-based financial indicators, so that it assumes that organization's ultimate goal is to achieve economic benefits. Typical indicators for financial performance are sales growth, profitability (ratios such as return on investment, return on sales, and return on equity), earnings per share, and so on (Venkatraman & Ramanujam, 1986). In addition, Sanikiglu and Zehir(2010) stated that in strategic suppliers partnership, suppliers play a more direct role in organizations quality performance.

Based on the above discussion, business performance is regarded as the broadest concept of organizational performance because business performance includes both financial performance and non-financial performance as operational performance (Park, 2009). Indicators of organizational efficiency such as after-tax return on total sales, return on total assets, and

organizational effectiveness such as sales growth are also included in the domain of financial performance (Venkatraman & Ramanujam, 1986).

However, due to the limited scope of the survey used in this study, organizational performance measures will be limited to widely accept financial measures such as: return on investment, market share, and profit margin.

Finally, this chapter pointed out the theoretical basis and attempted to clarify various constructs employed in this research: supplier relationship management, customer relationship management, level of information sharing, quality of information sharing, competitive advantage, and organizational performance. The next chapter, illustrates the relationships between these constructs along with the development of research hypotheses are presented.

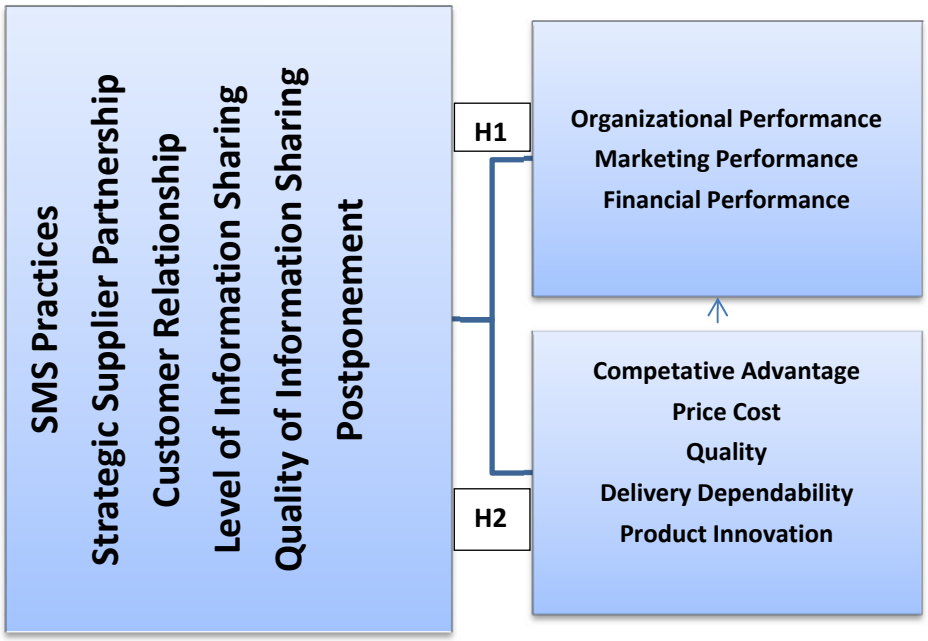

Figure 3: Research Theoretical Framework

Source: Omega the International Journal of Management Science (elsevier.com/locate/omega.2004)

2.7. SC Performance Measures

Performance measurement is defined as the information regarding the processes and products results that allow the evaluation and the comparison in relation to goals, patterns, past results and with other processes and products (Petrovic-Lazarevic and Sohal 2002).

Gunasekaran, et al. (2001) explored that SCM needs to be assessed for its performance in order to evolve an efficient and effective supply chain. Muhammad (2004) defines SCM performance as the measurement of performance of current SCM activities or practices by any particular firm. To measure performance of SCM activities practiced by firms, six dimensions of measurement were used, namely strategic supplier partnership, customer relationship ,level of information sharing, quality of information sharing, competitive advantage, and organizational performance.

It became apparent that the terms, frameworks, models and systems, were often used interchangeably with performance measurement. Performance measurement system to be useful ways of thinking about modeling, evaluating and improving supply chain. Lee and Bilington (1992) suggested SC performance measurement systems (PMSs) are necessary for firms to successful implement of SCM. According to Neely et al. (2002) “A Performance Measurement System is the set of metrics used to quantify the efficiency and effectiveness of past actions” and “it enables informed decisions to be made and actions to be taken because it quantifies the efficiency and effectiveness of past actions through the acquisition, gathering, sorting, analysis and interpretation of appropriate data”. PMSs are considered as a tool to gain competitive advantages and continuously react and adapt to external changes (Cocca, 2010).

Based on their definition, indicators are called measures when they can be measured without ambiguity and with some degree of precision. In other words, performance measures report

clearly about the relationships between program activities, outputs and outcomes associated with them (Thomas, 2006).

However, when it is not possible to find a precise performance measure, it is better to refer to performance indicators. However, performance measures and targets are key elements of performance measurement.

An important step to transform the individual business units into a fully operational integrated supply chain member is to design and implement supply chain performance measures and performance measurement systems. From such design each business enterprise will be taking a responsibility not only for its own business performance but also for the overall performance of the supply chain (Gunasekaran, Patel, Tirtiroglu, 2001).Hence there is now an increasing focus on supply chain measures and the overall performance.

An effective supply chain performance measurement process should be able to directly address performance areas that create sustainable profitability and financial strength.

In operational supply chain, a bigger challenge is to collect, sort and analyze the data generated by each processes. The challenge for many companies lies in determining what information is necessary to drive improvements and efficiencies at each process in the supply chain, and designing an information management environment to turn the raw data into meaningful metrics and key performance indicators (KPI).

Key performance indicators are measurements that directly relate to key business requirements. Information from supply chain management (SCM) processes must be collected, measured and analyzed. This requires integration of data coming out of ERP (Enterprise Resource Planning), SCM and all other systems supporting these business processes.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This part discusses the research methodology of the study. It goes through and illustrates the research design, sampling and sampling technique, sources of data, instrument and procedure of data collection, method of analysis and credibility of the research.

3.2. Research Design

According to Kotzar et al (2005), research design is defined as the plan and structure of investigation and the way in which studies are put together. Cooper et al (2003) also defined research design as the process of focusing on the researcher's perspective for the purpose of a particular study.

In this study, researcher used correlation research approach and regression analysis. According to Leedy et al (2005) the descriptive survey involves acquiring information about one or more groups of people asking them questions and tabulating their answers. Leedy et al (2005), further explained that the ultimate goal of survey research design is to learn about a large population by surveying their representative sample, summarizing their responses in percentages, frequency, or more sophisticated statistical tools.

The main objective of this study is to examine "A STUDY OF SUPPLY CHAIN MANAGEMENT PRACTICES" that consists of strategic supplier partnership, customer relationship, level and quality of information sharing and relation to "COMPETITIVE ADVANTAGE and ORGANIZATIONAL PERFORMANCE". For this particular study correlation research approach. The significance of this approach for the study is based on Cohen

& Morrison, K. (2000) statement that says descriptive survey method is useful to explore current information from respondents.

According to Cohen, L. Morrison (2000), to collect data from relatively large sample for the purpose of describing the nature of existing conditions and the relationship that exists between specific events, survey method is appropriate..

3.3. Sampling and Sampling Techniques

Purposive sampling techniques are used to select sample population for this study. The data collection instrument that was used for the study was questionnaire method which was administered to a total sample of 10 branches and these are selected by purposive sampling technique. They are selected purposively due to their relevance of distribution and market concentration in different sub-cities. From the selected branches shop supervisors and sales officers based on their job title are selected purposively as respondent of this study.

Table 1: Sample Distribution of the Firm

No	Name of Branches	Location of Branches – Sub-City	Selected Sample Branches	Total Population	Target Population	Number of Selected Respondents	Percent of Selected Respondents
1	Head Office	Bole	**	672	420	51	56.67
2	Jackros	Bole	**	4	4	2	2.22
3	Birhane Adere	Bole	**	4	4	3	3.33
4	Zefmesh	Yeka (Megenagna)	**	7	7	5	5.56
5	Arat kilo	Addis Ketema	**	5	5	3	3.33
6	Piassa	Addis Ketema		8	8	6	6.67
7	Gojam Berenda	Addis Ketema	**	4	4	3	3.33
8	Tana(Merkato)	Addis Ketema	**	8	8	4	4.44
9	City centre	Kirkos(Legehar)	**	29	29	5	5.56
10	Yeha	Kirkos(Legehar)	**	7	7	4	4.44
11	Lideta	Addis Ketema	**	5	5	4	4.44
Total Number of Respondents				**753***	**501**	**90**	100

NB: Sample Size is Determined According to Krejcie, R & Morgan, D (1970)

*As of July, 2016

**Indicates Selected Samples

On Table 1 above, sample branche respondents were selected on purposive sampling bases.

With regard to branches where a sizeable and a big number of employees are available, 100% or over half of them were respectively considered as respondents. Sample respondents of branches were at various levels of responsibilities for the overall performance of their respective branches.

Table 2 below, comprised of departments and sections where respondents were drawn on purposive sampling bases; for these were the ones to be contacted for questionnaires and for any other required information of the study.

Table 2: Head Office Sample Distribution

No	**Position of Respondents at Head Office**	**Number of Samples**
1	General Manager Office	1
2	Production and Technique Department	30
3	Human Resource Department	2
4	Commercial Department	4
5	Procurement	2
6	Quality control Department	5
8	Promotion And Advertising	1
9	Marketing Research & Promotion	1
10	Finance Department	5
Total		**51**

Source: Prepared by the Researcher, 2016.

3.4. Sources of Data and Instruments of Data Collection

The data collected on primary as well as on secondary data source basis. The primary data collected through distribution of questionnaires for key personnel of the firm. The secondary data collected from various citations, literature reviews, journals and document analysis.

The datum collection instruments used in this study were questionnaire method. The questionnaire was structured in such a way that both opens and closes type were in use.

3.5. Procedures of Data Collection

The main instrument and the process of collecting relevant data for this study was questionnaire method.

3.6. Methods of Data Analysis

Quantitative method of analysis was employed in analyzing the data collected. Regarding quantitative method, Deniz and Lincoln pointed out that quantitative enquiry puts the emphasis on the measurement and analysis of casual relationship between variables, not processes (Denzin and Lincoln, 2005).

The quantitative analysis of the data involves the ranking and descriptive analysis of answers to questions, according to their frequencies and distributions collected the data from the firm's head office and branches in the study area. Descriptive analytical technique is used with the aid of SPSS software to analyze the data collected with the use of questionnaires. The data collected were analyzed to bring out the current relevant problems of "Supply Chain Management practices: relation to competitive advantage and organizational performance". Using both (mean and standard deviation) and inferential (correlation and multiple regression analysis) statistics.

Furthermore, documents on textiles and garment, research papers on the subject and various literatures related to supply Chain management practices and implementation, relation to competitive advantage and organizational performance were reviewed. This provided to a great extent to go through different citations and enable to come out with an understanding that "A study of Supply Chain Management practices; relation to competitive advantage and organizational performance" that may require primary attention of the company under study.

3.7. The Credibility of the Research

Reducing the possibility of getting the wrong answer means that attention has to be paid to two particular emphases on research design: reliability and validity (Saunders et al. 2007).

3.7.1. Reliability

Reliability refers to the extent to which data collection techniques or analysis procedures brings out reliable findings. In this research, respondents had been given enough time for answering the questionnaire and undertook to act with information as confidential; there was no subject error or bias. According to Bryman and Bell (2007), reliability analysis is concerned with the internal consistency of the research instrument. As several items in all the constructs were applied, the internal reliabilities of supply chain management practices, competitive advantage and organizational performance were analyzed in the light of Cronbach's Alpha. This was verified by (Nunnally,1978) stating that the outcome of the reliability values for all the constructs are confirmed to be greater than 0.70, which are considered acceptable, while an alpha score of higher than 0.80 is considered a good measure of reliability.

As seen on Table 3 below, the analysis of Cronbach's Alpha (measure of internal consistency) was computed as 0.902 in organizational performance, SCM Practices over 0.70, and

competitive advantage in 0.877, respectively. Hence, this explains that a good level of internal consistency for the collected data.

Table 3: Cronbach's values for Reliability tests on various Constructs

Constructs	Cronbach's Alpha
I. SCM Practice	0.847
II. Competitive Advantage	0.877
III. Organizational Performance	0.902

Source: SPSS Result, 2016.

3.7.2. Validity

Validity is concerned with whether the findings are really about what they appear to be (Saunders et al. 2007). There are two major forms of validity: external and internal. The external validity of research findings refers to the data's ability to be generalized across persons, settings and times. Internal validity is the ability of a research instrument to measure what it is purported and to measure (Cooper and Schindler, 2003).

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1. Introduction

In this chapter, sample respondents profile presented, data collected from respondents were tested using Pearson correlation. Regression analysis for casual relationships was also carried out and results were drawn for further analysis discussion.

4.2. Respondents Background

As it is shown on Table 4 below, demographic information concerning sex, age, marital and educational status of the respondents were collected in the survey.

4.2.1. Respondents Profile

Table 4: Respondent's Personal Data

No	Respondent's Personal Data	Indicators	Frequency	Percentage
1	**Sex**	Male	41	45.6
		Female	49	54.4
			90	**100.0**
2	**Age**	18-28	43	47.8
		29-38	39	43.3
		39-48	6	6.6
		49-58	2	2.2
			90	**100.0**
3	**Marital Status**	Single	49	54.4
		Married	39	43.3
		Divorce	1	1.1
		Widowed	1	1.1
			90	**100.0**
4	**Educational Status**	12 Complete	24	26.7
		Certificate	12	13.3
		Diploma	30	33.3
		BA Degree	21	23.3
		MA Degree	3	3.3
			90	**100.0**

Source: Survey Data, 2016.

As shown on Table 4, gender respondents' of the sample of this study 41(45.7%) and 49(54.5%) were male and female, respectively. This seeks to imply that there were more female respondents than male.

With regard to the ages of the respondents about 43(47.8%) were between the ages of 18-28 years, 39 (43.3%) of them were also at the ages of 29 to 38 years, 4 (4.4%) of the respondents were between the ages of 39 to 43 years of the total respondents and (2) of the respondents were 49 years or above also constituting 2.23% of the respondents. The data refers that of the total respondents many of the respondents were at their modal ages. This might enable to appropriately respond the given questionnaires for the data to be collected.

Same Table also depicts that out of the total respondents, 49 (54.4%) of them were single. About 39 (45.3%) of them were married. However, 1(1.1%) respondent was a widow. This Table also suggests that more of the respondents were single compared to the total number of respondents.

Furthermore, 3 (3.3%) of them were with MA degree, 21 (23.3 %) were with first degree, 30 (33.3%) of them had diploma and about 24 (26.7%) respondents completed grade 12. This indicates that nearly 60% of the respondents were with diploma and above in their educational status. Hence, respondents might capable of understanding and responding to the questionnaires and interview for the intended purpose of data collection.

Current positions of respondents are shown on the Figure 4 below. Accordingly, the highest percentage of positions of respondents go with cost budget division with 26.7%, next is sales 17.8%, accountant, supervisor 6.7%, while 5.6%, General Manager and 3.3%, Head & Supervisor respectively the remaining positions of respondents are within the range of 1.1% and 2.2%. Therefore, almost about 60.1% current position of respondents' was realized to be closer to respond the questionnaires an interview.

4.2.2. Current Positions of Respondents

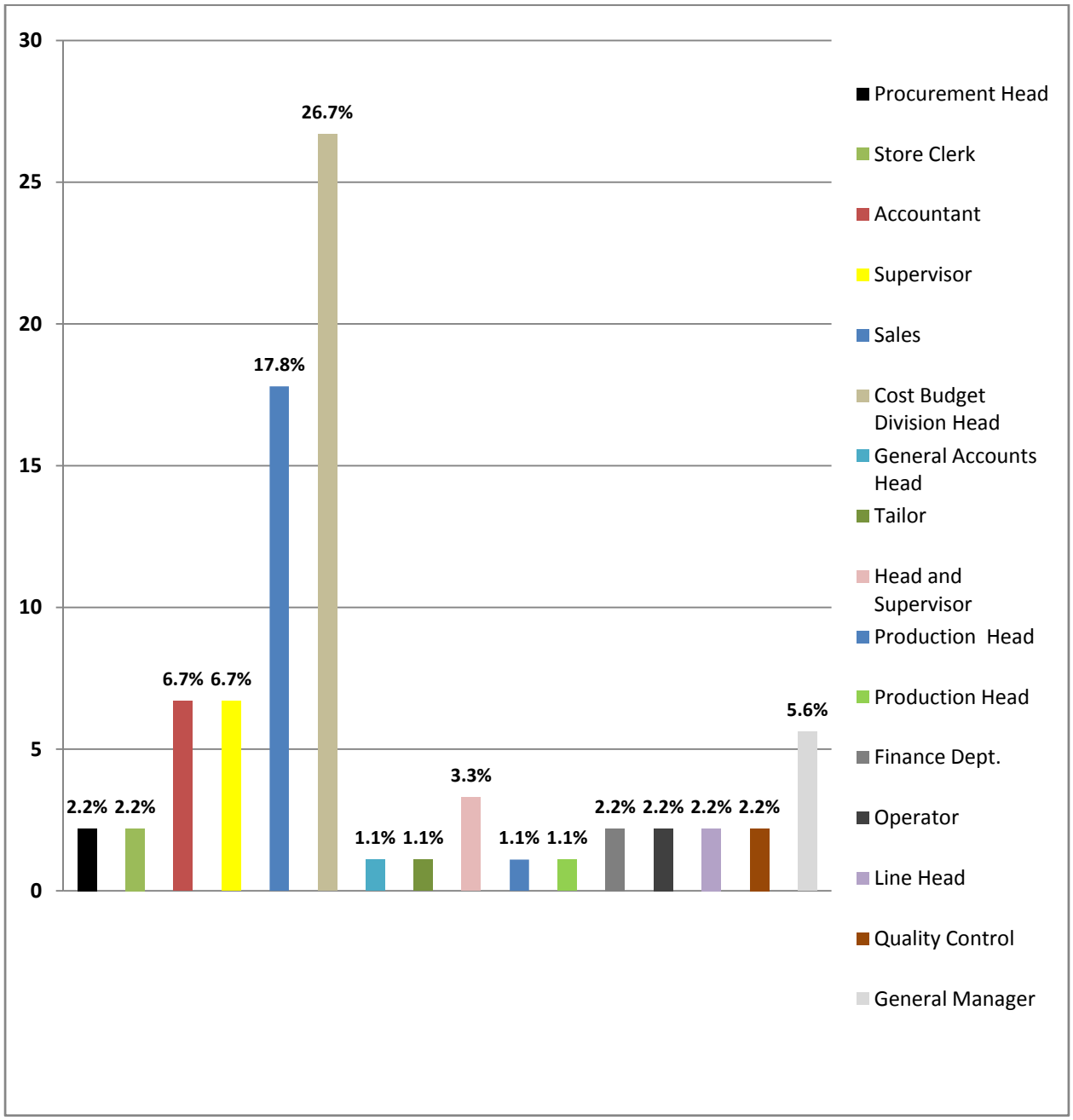

Figure 4: Positions of Respondents

Source: Survey Data, 2016.

4.2.3. Experience of Respondents'

Table 5: Respondents' Experience

No	Experience of Respondents	Indicators	Frequency	Percentage
1	**Total Experience**	1-5	42	46.7
		6-10	23	25.6
		11-15	18	20.0
		16-20	2	2.2
		21-25	5	5.5
			90	**100**
2	**Years of stay in the Organization**	Less than 2 years	26	28.9
		3-5 years	25	27.8
		6-10 years	17	18.9
		Above 10 years	22	24.4
			90	100

Source: Survey Data, 2016.

Table 5 above illustrates, all sample respondents' experiences, broken down into total experience and years of stay in the organization. A greater number of the respondents (46.7%) had 1 to 5 years, 25.6% for 6 to 10 years, 20.0% for 11 to 15 years, and 5.5% for 21 to 25 years of total experience. While reviewing years of stay in the organization, where the research was conducted 28.9% had worked for less than 2 years, 27.8% for 3 to 5 years, 24.4% above 10 years, and the remaining 18.9% for 6 to 10 years. These signify that respondents had ample experiences to respond to the research questionnaires and interview.

4.3. Branches Location

Table 6: Branches Location

Branches	Branches' Location	Frequency	Percentage
Arat Kilo	Arada	3	3.33
Piassa	Arada	6	6.67
Lideta	Lideta	3	3.33
Gojjam Berenda	Addis Ketema	2	2.22
Merkato	Addis Ketema	5	5.56
Head Office	Bole	51	56.67
Bole	Bole	2	2.22
Jackros	Bole	1	1.11
City Center	Kirkos	6	6.67
Zefmesh	Yeka	6	6.67
Yeha	Kirkos	5	5.56
Total		**90**	**100.0**

Source: Survey Data, 2016.

Table 6 above depicts the various lists of branches, head office and their respective locations. Accordingly, Addis Ketema 7(7.78%), Arada 9(10%), Kirkos 11(12.23%), Yeka 6(6.67%), With in Bole Sub-city, Bole branch 3 (3.33%) and Head Office 51 (56.67%) were located. The data signifies that the highest percentage (57%) of the respondents were at head office consisting of top management, managers at various functional levels, departments and shop supervisors.

4.4. Pilot Testing

A pilot test is conducted to detect weakness in design and instrumentation and to provide alternative data for selection of a probability sample. It should, therefore, draw subjects from the target population and simulate the procedures and protocols that have been designated for the

data collection (Cooper and Schindler, 2003). From the outset, researcher did a pilot test by distributing questionnaires for two respondents in the production department, three in finance department at head office and for two respondents in the branches. Having seen the response of the pilot test and their comments; the questionnaire was simplified, revised and developed both in English and translated into Amharic (Ethiopian National Language). In this regard, sample respondents were made to have questionnaire of their own choice to understand and respond to questions in order to collect valid data for the intended purpose of study.

4.5. Response Rating

All in all, the required data for this research was collected by employing 47 questions based survey that was delivered to 92 respondents of the firm. About 51 at head office and 39 of respondents in the various branches of the firm were responded to the given questionnaires. From the total of 92 about 90 (97.8%) questionnaires were collected and analyzed in this research, and two of the respondents failed to respond.

4.6. Inferential Statistics for SCM Practices and Firm Performance

4.6.1. Correlation Analysis

Correlation Coefficient is a single summary number that gives a good idea about how closely one variable is related to another variable (Jim Higgins, 2005). Pearson Correlation Coefficient range from -1.00 to +1.00, there exist a perfect negative relationship between the two variables. This means that as the values on one variable increases there is a perfect predictable decrease in values on the other variable. A Correlation Coefficient of +1.00 also tells that there is a perfect positive relationship between the two variables.

A Correlation Coefficient of 0.00 tells that there is a zero correlation, or no relationship, between the two variables.

According to Evan, J.D (1996) correlation coefficient determinants 0.0-0.19 very weak, 0.20-0.39 weak, 0.40 – 0.59 moderate, 0.60 – 0.79 Strong and 0.80 – 0.1 very strong show relationship between variables. Moreover, the p-value represented as to denote the probability of the significance.

4.6.1.1. Correlation Analysis between SCM Practices and Competitive Advantage

Table 7: Correlation between SCM Practices and Competitive Advantage

		SRM	CRM	LIS	QIS	CA
SRM	Pearson Correlation	1	0.449	0.665	0.494	0.849
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	54	54	54	54	54
CRM	Pearson Correlation	0.449	1	0.400	0.376	0.404
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	54	54	90	90	90
LIS	Pearson Correlation	0.665	0.400	1	0.482	0.527
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	54	90	90	90	90
QIS	Pearson Correlation	0.494	0.376	0.482	1	0.383
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	54	90	90	90	90
CA	Pearson Correlation	0.849	0.404	0.527	0.383	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	54	90	90	90	90
**Correlation is significant at the 0.01 level (2-tailed).						
*Correlation is significant at the 0.05 level (2-tailed).						

Source: SPSS Result, 2016.

Table 7 above displays the stated constructs of SCM Practices in this research and Competitive Advantage and were analyzed using Pearson's correlation coefficient. In this respect, there is positive relation between Strategic Supplier Partnership (SSP) and Competitive Advantage with correlation coefficient of 0.849 (r=0.849) and significance p-value of 0.000, which is less than 0.01. This means that more of SRM tend to earn strong relation with competitive advantage. Similarly, low SRM tend to have correspondingly, lower competitive advantage. The correlation between SRM and competitive advantage is very strong which is much closer to 1.00 but it is not a perfect relationship.

On same Table above, CRM is the other variable with correlation coefficient of 0.404 (r= 0.404) with competitive advantage and a significance p-value of 0.000 less than 0.01 showing positive relation. The test result in the table illustrates, there is moderate customer relation with competitive advantage.

Furthermore, the test carried out for Pearson correlation coefficient on table 4.6.1.1 indicates, there is positive correlation between level of information sharing with competitive advantage, with correlation coefficient value of 0.383 (r=0.383) and significance p-value of 0.000, which is less than 0.01. The significance tells that there is weak level of information sharing between the two variables.

The last SCM practice is quality information sharing with competitive advantage, Table4.6.1.1 depicts a correlation coefficient of 0.527 (r=0.527) at significance p-value of 0.000, which less than 0.01. This result reveals that there is moderate relation between quality information sharing and competitive advantage.

4.6.1.2. Correlation Analysis between SCM Practices and Competitive Advantage

Table 8: Correlation between SCM Practices and Competitive Advantage

		SCMPs	CA
SCMPs	Pearson Correlation	1	0.973
	Sig. (2-tailed)		0.000
	N	79	79
CA	Pearson Correlation	0.973	1
	Sig. (2-tailed)	0.000	
	N	79	79

Source: SPSS Result, 2016.

Table 8 consists of a set of supply chain management practices (SRM, CRM, LIS and QIS) mentioned earlier and examined their correlation with competitive advantage. SCM practices reveal positive relationship with competitive advantage with Pearson correlation coefficient value of 0.973 (r= 0.973) and at significance level of 0.000, that is less than 0.01. The computational value of this Pearson correlation coefficient signifies that Supply chain management practices have very strong relationship with competitive advantage which is nearly closer to perfect relationship.

4.6.1.3. Correlation between Supply Chain Management Practices and Organizational Performance

Table 9 underneath is looking for the correlation of the constructs of SCM practice with that of organizational performance, putting in place Pearson Correlation coefficient and the calculated value of each of the construct is illustrated for further analysis.

SRM is positively correlated with organizational performance with Pearson's Correlation coefficient value of 0.381 (r=0.381) and significance value of 0.002 (2-tailed). This Correlation coefficient value denotes weak relationship between the variables, although prior studies such as had verified a well defined strong positive relationship noting that SRM has an effect on organizational performance.

The next Supply chain management practice to be dealt on Table - is customer relationship to test its correlation with organizational performance. The test result shows positive correlation with Pearson correlation coefficient of 0.477 (r=0.477) and a significance value of 0.000 (2-tailed). This refers again moderate relationship between customer relation and organizational performance.

The preceding supply chain management practice, level of information sharing and organizational performance have positive correlation in between them, depicting Pearson correlation coefficient value of 0.363 (0.363) and significance of 0.000 (2-tailed), less than 0.01. In this case also weak relationship is seen between level of information sharing and organizational performance.

The last construct to be tested for Pearson correlation is quality information sharing with organizational performance. This same table above indicates Pearson correlation coefficient value of 0.434 (r=0.434) and a significance value of 0.000 (2-tailed), less than 0.01. This Pearson correlation coefficient value tells that there is moderate relationship between quality information sharing and organizational performance.

Table 9: Correlation between SCM Practices and Organizational Performance

		SRM	CRM	LIS	QIS	OrP
SRM	Pearson Correlation	1	0.449	0.665	0.494	0.381
	Sig. (2-tailed)		0.000	0.000	0.000	0.002**
	N	54	54	54	54	54
CRM	Pearson Correlation	0.449	1	0.400	0.376	0.477
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	54	54	90	90	90
LIS	Pearson Correlation	0.665	0.400	1	0.482	0.363
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	54	90	90	90	90
QIS	Pearson Correlation	0.494	0.376	0.482	1	0.434
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	54	90	90	90	90
OrP	Pearson Correlation	0.381	0.477	0.363	0.434	1
	Sig. (2-tailed)	0.002**	0.000	0.000	0.000	
	N	54	90	90	90	90
**Correlation is significant at the 0.01 level (2-tailed).						
*Correlation is significant at the 0.05 level (2-tailed).						

Source: SPSS Result, 2016.

4.6.1.4. Correlation Analysis between SCM Practices and Organizational Performance

Table 10: Correlation between SCM Practices and Organizational Performance

		SRM	**OrP**
SCMPs	Pearson Correlation	1	0.365
	Sig. (2-tailed)		0.000
	N	81	81
OrP	Pearson Correlation	0.365	1
	Sig. (2-tailed)	0.000	
	N	81	81

Source: SPSS Result, 2016.

Table 10 shows, there is positive relationship between a set of supply chain management practice (SRM, CRM, LIS ,QIS) with organizational performance with a correlation coefficient value of 0.365(r=0.365) and a significance value of 0.000, less than 0.01. In this one the test result exhibits weak, positive relationship between SCM practices and organizational performance.

4.6.1.5. Correlation Analysis between CA and OrP

Table 11: Correlation between CA and OrP

Dimensions		**Price**	**Quality**	**Delivery Dependability**	**Time to Market**	**OrP**
Price	Pearson Correlation	1	0.211**	0.463	0.515	0.211**
	Sig. (2-tailed)		0.023	0.000	0.000	0.023
	N	90	90	90	90	90
Quality	Pearson Correlation	0.211**	1	0.165**	0.251**	0.229**
	Sig. (2-tailed)	0.023		0.060	0.009	0.015
	N	90		90	90	90
Delivery Dependability	Pearson Correlation	0.463	0.165**	1	0.452	0.159**
	Sig. (2-tailed)	0.000	0.060		0.000	0.067
	N	90	90	90	90	90
Time to Market	Pearson Correlation	0.515	0.251**	0.452	1	0.242**
	Sig. (2-tailed)	0.000	0.009	0.000		0.011
	N	90	90	90	90	90
OrP	Pearson Correlation	0.211**	0.229**	0.159**	0.242**	1
	Sig. (2-tailed)	0.023	0.015	0.067	0.011	
	N	90	90	90	90	90
**Correlation is significant at the 0.01 level (2-tailed).						
*Correlation is significant at the 0.05 level (2-tailed).						

Source: SPSS Result, 2016.

Table 11 i1llustates a test conducted for Pearson Correlation between dimensions of Competitive advantage (price, quality, delivery dependability, Time to market) and organizational performance. The analysis for each of these dimensions is given below:

Price, as one of the measures of competitive advantage presented a correlation coefficient of 0.211(r= 0.211) and significance value of 0.023, less than 0.01 having positive relation with organizational performance. This means the correlation between these variables is weak.

To further test whether quality is correlated or not with organizational performance, a correlation coefficient of 0.229 (r=0 .229) and confidence value of 0.01, less than 0.01 is resulted. Again, a positive relation illustrated. This result suggests that there is weak relationship between quality and organizational performance.

Referring to the Table above, delivery dependability established a Pearson correlation coefficient of 0.159 (r=0 .159) and a significance value 0.067, less than 0.01 of denoting positive relation with organizational performance and at the same time pointing out very weak relationship between them.

The last measure of competitive advantage is time to market, presenting a correlation coefficient value of 0.242 (r= 0.242) and a confidence value of 0.011, less than 0.01 and this value also illustrates positive relationship with organizational performance. Pearson correlation test for time to market and organizational performance in this case also exhibited weak relationship.

4.6.1.6. Correlation between CA and OrP

Table 12: Correlation between CA and OrP

		CA	OrP
CA	Pearson Correlation	1	0.477
	Sig. (2-tailed)		0.000
	N	90	90
OrP	Pearson Correlation	0.477	1
	Sig. (2-tailed)	0.000	
	N	90	90

Source: SPSS Result, 2016.

Having seen each and set of the constructs with respect to their correlation to competitive advantage and organizational performance, and it becomes apparent to test Pearson's correlation coefficient between the two variables – competitive advantage and organizational performance subsequently.

As seen on Table 12 correlation between competitive advantage and organizational performance was computed. Pearson's correlation coefficient value is 0.477 (r=0.477) and significance value of 0.000, less than 0.01 denoting positive relationship between competitive advantage and organizational performance which in effect is a moderate relationship.

4.7. Regression Analysis

Regression examines the relationship between one dependent variable and one or more independent variable. It shows the effect of one unit change in an independent variable on the dependent variable. As regression attempts to describe the dependence of a variable on one (or more) to the response variable, regardless of whether the path of the effect is direct or indirect.

4.7.1. Regression Analysis between SCM Practices and Competitive Advantage E

Table 13: Regression Analysis between SCM Practices and Competitive Advantage

Model	β	Std. Error	t-stat	p-value	Adjusted R Square
2	2.987	1.661	1.812	0.190	0.600

Source: SPSS Result, 2016.

Table 13 above, was a test carried out to know whether casual relationship exists between Supply Chain Management Practices and Competitive advantage. The adjusted R square which is the value of Supply Chain Management Practices can establish 60.0% of the variation in Competitive Advantage. In spite of the fact that several factors that can provide sufficient grounds for the variations of the variable on Competitive Advantage, almost 60.0% of the variation is held by Supply Chain Management Practices. The remaining 40.0% of the variation in Competitive Advantage is unable to be clarified by the constructs of Supply Chain Management Practice. Further, the β coefficient also suggests that SCM Practices hold on a medium impact on Competitive advantage.

4.7.2. Regression Analysis between SRM Practices and Organizational Performance

Table 14: Regression Analysis between SRM Practices and Organizational Performance

Model	β	Std. Error	t-stat	p-value	Adjusted R Square
1	4.409	1.666	2.702	0.119	0.449

Source: SPSS Result, 2016.

Table 14 tells the test result of regression analysis conducted between SRM practices and organizational performance (dependent variable), and casual relationship exists in between both the variables. Again, there might be several factors that illustrate the variable, in this presentation SCM Practices comprised of about 44.9% of the total percentage. The remaining 55.1% goes to the variation of Organizational Performance which cannot give the details by those constructs of Supply Chain Management Practices. In this case, the coefficient β value is not significant but shows moderate relationship.

4.7.3. Regression Analysis between Competitive Advantage and Organizational Performance

Table 15: Regression Analysis between Competitive Advantage and Organizational Performance

Model	β	Std. Error	t-stat	p-value	Adjusted R Square
3	2.589	0.669	3.888	0.001	0.215

Source: SPSS Result, 2016.

As seen on Table 15, there is casual relationship between these two variables that is Competitive Advantage (Predictor) and Organizational Performance as dependent variable. R square in this case has a value of 0.215, which means Competitive advantage can explain 21.5% of the variation in Organizational Performance. There might be several factors that can illustrate the variable on Organizational Performance; in this model almost 78.5% of the variation cannot be clarified by competitive advantage. From the table above, the p-value and the coefficient of β also show that competitive advantage has low and insignificant effect on organizational performance.

4.8. Discussion of the Results

As stated earlier, the main objective of this study is to determine the relationship between constructs of SCM Practice, competitive advantage and Organizational Performance mainly on Ambassador Garment & Trade PLC. Related literature review in this respect, indicates that SCM Practices have relationship with Competitive Advantage and Organizational Performance. A survey instrument based on Lambert's (2008) assessment tool was developed and distributed in person to sample respondents at head office and to branches of the firm within Addis Ababa. This study evaluated whether the constructs of SCM Practices (SRM, CRM, LIS and QIS) have positive correlation with Competitive Advantage and Organizational Performance using data collected from sample respondents. The test outcomes indicate that the hypotheses on SRM, CRM, LIS and QIS have a positive effect on Competitive Advantage and organizational Performance. The findings of this research point out that the effective application of SCM Practices as asserted by LI et. Al (2005) is instrumental in ensuring sustainable business performance in the firm under study. However, the findings of the study are discussed in the succeeding paragraphs:

The study disclosed that there is positive relationship between supply chain management practices and competitive advantage. The SCM Practice which is significantly correlated with competitive advantage with correlation coefficient of 0.849 (r=0.849) and confidence level less than 0.01 is Strategic supplier partnership. As Noble (1997) stated, an effective supplier partnership can be a critical component of a leading edge supply chain, and the statement is consistent with the finding of the study.

With respect to Customer relation, which is one of the constructs of SCM Practice, the finding reveals that it has moderate correlation with Pearson Coefficient of 0.404 (r=0.404) and significance of 0.000 with Competitive Advantage. As Magretta (1998) described, close customer relationship allows an organization to differentiate its product from competitors, sustain customer loyalty, and dramatically extend the value it provides to its customers. The highlight in this statement reveals "close customer relationship" which paves the way for organizations to be competent, create sustainable loyalty, provide value to their customers, and excel in their performance to attain competitive advantage.

The next finding of SCM Practice is level of information sharing, indicating positive correlation with competitive advantage with correlation coefficient 0.527 (r= 0.527) and significance value 0.000. Novack,et.al (1995) described, by taking the data available and sharing information can be used as a source of competitive advantage. From the statement, one can realize that information sharing serves as one of the sources for competitive advantage.

The last construct of SCM Practices is quality information sharing, illustrates positive correlation with competitive advantage with correlation coefficient of 0.383 (r=0.383) and confidence level of 0.000. Tompkins and Ang (1999) noted as , consider the effective use of relevant and timely information by all the functional elements within supply chain as a key

competitive advantage distinguishing factor. This means quality information sharing within the supply chain has a significant factor for a competitive advantage.

Table - above, displays correlation values of SCM Practices (SRM, CRM, LIS and QIS) with Organizational performance. Having gone through the analysis of each of the supply chain management practices, SRM in this case with Pearson correlation value of 0.381 (r= 0.381) and significance level of 0.002 with organizational performance, weak relationship is indicated between the two variables. Sanikiglu and Zehir(2010) stated that in strategic suppliers partnership, suppliers play a more direct role in organizations quality performance. This discussion makes clear that suppliers' strategic partnership play a vital role for the betterment and upgrading the performance of organizations.

Besides, this study shows that customer relation has medium positive correlation with organizational performance with Pearson's correlation coefficient of 0.477(r=0.477) and significance P-value is less than 0.001. Tan Kc, et.al pointed out, customer relation practices have been shown to lead to significant improvement in organizational performance. While this statement asserted the relevance of customer relation to organizational performance, the correlation value does not support the discussion in the literature.

Further, to test whether level of information sharing is correlated with organizational performance, the test result of Pearson correlation coefficient was 0.363(r=0.363) and confidence value of 0.000, which is less than .01, signifying level of information sharing is having weak relation with organizational performance. This finding of Pearson correlation coefficient value is inconsistent with the statement of Lalonde (1998), which describes sharing of information as one of the five building blocks that characterize a solid supply chain relationship, and have an impact on the performance of organizations' supply chain.

Moreover, Level of information quality, again reveals medium relation with organizational performance with correlation coefficient value of 0.434 (r= 0.434) and at significance level of 0.000. Hall.J.(2000) illustrates, ensuring the quality of the shared information becomes a critical aspect of effective SCM, Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion. This statement indicates that quality information is not only highly critical for effective SC, but organizations maintain information as a strategic asset for the furtherance of their performance; in this regard the finding did not meet the findings of others.

The final test result of SCM Practices relationship with organizational performance, exhibited a correlation coefficient 0.365 (r=0.365) and significance value of 0.000 which means the relation is positive which is weak correlation between these variables. Li et al. (2006) proposes that any organizational initiative, including supply chain management, should ultimately lead to enhanced organizational performance. The finding does not support the work of Li et al. As an effective management of SCM Practices is highly required to an organization's performance, the finding is inconsistent with the proposition of Li et al.

Through the process of finding SCM Practices relationship with competitive advantage, the result indicated very strong relationship with Pearson correlation coefficient 0.973 (r= 0.973) and a significance is 0.000, which is less than 0.01. Besides, it also makes clear that 60% of the variability is for competitive advantage. This finding is in line with (Moberg et al., 2002 and Tan et al., 2002) who stated the significance of SCM practices as 'it is not enough to improve efficiencies within an organization, but their whole supply chain has to be made competitive and the understanding and practicing of SCM becoming an essential prerequisite for staying

competitive in the global race and for enhancing profitability'. Thus, the statement justifies that SCM practices are essentials for achieving high level competitive positioning.

Referring to the table - the test conducted to verify whether there is relationship between competitive advantage measures (price, quality, delivery dependability, time to market) and organizational performance, all the computed measures for Pearson correlation coefficient fall in between 0.159 to 0.242,which in effect the relation is positive denoting very weak and weak relationships between competitive advantage and organizational performance. Fawcett & Smith et al. (1995) described, Price/cost, quality, delivery dependability, and time to market have been consistently identified as important competitive capabilities. As competitive advantage dimensions have significant contributions for competitive performance, a firm must always recognize its competitive capabilities for the enhancement of its organizational performance. In this respect, the test result of Pearson correlation coefficient is inconsistent with the result of other studies.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Introduction

Based on the analysis and discussion of the preceding chapter, summary of major findings and conclusions were drawn.

The recommendations basically suggest, among these findings is the realization that the firm is practicing SCM practices in its operational activities for competitiveness and organizational performance.

5.2. Summary of Major Findings

The purpose of this study is to examine the relationship between SCM practices, competitive advantage and organizational performance. With this in mind, summary of the major findings are stated below:

The test conducted to ascertain the relationship between SCM practices and competitive advantage indicated, very strong positive relationship with Pearson correlation coefficient value of 0.973 (r=0.973) and significance value less than 0.001. In addition, SCM practices set up 60 % for the variability of competitive advantage. With respect to relationship of SCM practices with organizational performance, Pearson correlation coefficient value of 0.365 (r= 0.365) and significance less than 0.001 exhibited a weak level of positive relationship. In the same manner, regression analysis carried out between SCM practices and organizational performance, the test result in this case revealed that 49.9% of the variation is consisted of by SCM practices.

Having seen the final test result for correlation between competitive advantage and organizational performance, Pearson correlation coefficient value of 0.477 (r=0.477) and significance less than0.001 show positive relation between the two variables presenting moderate relationship. The final analysis on regression conducted between competitive advantage and organizational performance tells that competitive advantage can explain nearly 21.5% of organizational performance.

5.3. Conclusion

Based on the summary of major findings of this research, we can conclude that the firm under study, Ambassador Garment & Trade PLC has been operating in its readymade garment manufacturing business for a long time. However, modern SCM theories and practices have to be given more emphasis and attention by management of the firm.

In many cases, the textile subsector has been doing business in the traditional way of supplier-customer relationship.

Information sharing, and identifying, upgrading, maintaining and utilizing competitive advantage to enhance organizational performance is not as strong as they are used to be. More attention and management go to internal coordination and collaboration rather than looking for and collaborating with external supply chain partners.

As stated in the analysis of the finding, there is very strong correlation between SCM practice and competitive advantage, while a weak and positive correlation is indicated with organizational performance. This means SCM practice has very strong effect on competitive advantage and a weak effect on organizational performance.

On the other hand, competitive advantage is also positively correlated with organizational performance. With regard to their respective regression analysis on casual relationship, competitive advantage is positively correlated with organizational performance.

5.4. Recommendations

Based on the major findings and the conclusions drawn above, the following suggestions are given:

- In reference to the finding of this study, SCM practices have strong and positive correlation with competitive advantage. The firm in this respect keeps up these operational activities to strengthen and maintain its competitive positioning.
- Since SCM practices have an effect on organizational performance, special attention might be given to appropriately use the practices towards enhancing sustainable business Performance.
- Managing competitive advantage dimensions greatly contributes to organizational performance. Strategically looking for the dimensions provide competitive capability and focus should be there for improvement.
- The firm might recognize the need to ensure effective communications between members of their supply chain network. The free flow of adequate information through established channels internally to make information available exactly when is needed by any member of the supply chain has been instrumental to its progress.
- The fact that, delivery dependency to customers and customer relationships through regular interactions aims at providing the necessary feedback for service. Improvements in this regard have been instrumental towards an effective business performance. This has

been the bases for product improvement and new product development to the satisfaction of customers.

- To strengthen and move ahead in marketing and financial performance within a period of time through organizational performance, it is advisable for the firm to give more importance to SCM practices.
- In order to enhance competitive positioning, the firm might develop strategic capabilities to link SCM practices to competitive advantage.

5.5. Implication for Future Research

This study was carried out using correlation research approach and regression analysis, at the firm's head office and its branches within Addis Ababa, due to time and financial constraint. The researcher has a belief that better results could have been obtained by conducting an in-depth interview with various decision makers of the firm who are in line with supply chain management practices. In addition, a larger Sample size would allow for the use of more precise statistical analysis techniques in order to generate more significant findings. That is, the firm's head office and including all branches located in different parts of the country.

It is relevant to admit limitations of this study that may provide opportunities for future research. As noted in the limitations only four of the SCM practices (SRM, CRM, LIS and QIS) correlations were tested with competitive advantage and organizational performance. It is highly recommended that a comprehensive research effort be undertaken having gone through the limitations of this study.

References

Ageazi Gebreyesus- EHIOPIAN Textile and Garment Manufacturers Association: Cotton to Apparel Value Chain Study 2014

Alem Gemechu. (2009). Quality Improvement in Ethiopian Garment Industries. Unpublished Master‟s Thesis, Addis Ababa University, Faculty of Technology, Addis Ababa.

An International Indexed Online Journal ***www.darpanonline.org/GIRT*** **ISSN 2347–8861,*2013***

Asian Journal of Business and Management Science Vol. 2 No. 8 [60-72] www.ajbms.org ISSN: 2047-2528

Baatz, E.B. (1995). *"CIO100-best practices: the chain gang",* CIO, Vol.8 No.19, pp.46-52

Ballou, R. (1978). *Basic Business Logistics,* Prentice-Hall, Englewood Cliffs, NJ, 1978

Balsmeier, P. W., & Voisin, W. (1996). Supply chain management: A time based strategy. *Industrial Management 38*(5), 24–27.

Berry, D., Towill, D. R., & Wadsley, N. (1994). Supply chain management in the Electronics products industry. *International Journal of Physical Distribution and Logistics Management 24*(10), 20–32.

Burt, D.N. and Soukup, W.R. (1985). *"Purchasing's role in new product development'*, Harvard Business Review, Vol. 64 No.5, pp. 90-7

Carter, J.R. and Ferrin, B.G.(1995). *"The impact of transportation costs on supply chain management",* Journal of Business Logistics, Vol.16 No.1, pp. 189-212

Chizzo, S. A. (1998). Supply chain strategies: solutions for the customer-driven enterprise.

Chopra, S. and Meindl, P. (2001). *Supply Chain Management,* Prentice Hall, NJ

Christopher, M.(1994). *Logistics and Supply Chain Management,* Pitman Publishing, New York, NY

Christopher, M.(1994). *Logistics and Supply Chain Management,* Pitman Publishing, New York, NY

Claycomb, C., Droge, C., & Germain, R. (1999). The effect of just-in-time with customers on organizational design and performance. *International Journal of Logistics Management 10*(1), 37–58.

Cohen L, Manion L. & Morrison K. 2007 Research Methods in Education, 6th edn. USA Routledge

Conference on Management of Innovation and Technology, IEEE Computer Society, Piscataway, USA, ISBN: 978-1-4244-2329-3, pp. 1027-1032

Cooper, D. R; Schindler P. S (2003), "Business Research Methods", International Edition: Mc Graw – Hill, Iriwin series

Cooper, M.C., & Ellram, L.M. (1993) *Characteristics of SCM and the implications for Purchasing and Logistics Strategy*. The International Journal of Logistics Management, 4, 2, 13-24.

Cooper, M.C., Lambert, D.M., & Pagh, J.D. (1997) *Supply Chain Management: more than a new name for logistics.* International Journal of Logistics Management, 8,1,1-13.

Crom, S. (1996). *"De –fuse multi-cultural clashes",* Transportation & Distribution, July, Vol. 37 No.7, pp.84 Cooper, Martha, Lisa Drucker, P.F. (1998). Practice of Management, Butterworth Heinemann, OxfordLogistics Management, Vol. 8 No. 1, pp. 1-14

Davis, P. S., & Pett, T. L. (2002). *Measuring organizational efficiency and effectiveness*, Journal of Management Research, Vol.2, No.2, pp. 87-97.

Drucker, P.F. (1998). Practice of Management, Butterworth Heinemann, OxfordLogistics Management, Vol. 8 No. 1, pp. 1-14

D'Souza, D. E. (2002), Toward an understanding of how organizations create manufacturing flexibility, Journal of Managerial Issues, Vol. 14 No.4, pp. 470- 486

Ethiopian Science and Technology Commission (ESTC) (2006). R and D and innovation in the textile sub sector: Training Course on R and Capacity Building in the Industry Sector. June 02, 2006, Bahir Dar, Ethiopia. 77p.

Evan, J.D. (1996). Straight forward Statistics for the behavioral Sciences. Pacific Grove, CA/Brooks/ cde publishing.

Farley, G.A. (1997). *"Discovering supply chain management: a roundtable discussion",* APICS -The Performance Advantage, Vol.7 No.1, pp. 38-9

Fawcett, S. E. and Smith, S. R. (1995), *Logistics measurement and performance for United States-Mexican operations under NAFTA,* Transportation Journal, Vol. 34, No.3, pp. 25-34.

Feldmann M, Müller S. An incentive scheme for true information providing in supply chains. OMEGA 2003;31(2):63–73.

Fisher, M. L., Hammond, J. H., Obermeyer, W. R., & Raman, A. (1994). Making supply meet demand in an uncertain world. *Harvard Business Review 72*(3), 83–93.

Ford, J. D., & Schellenberg, D. A. (1982). *Conceptual issues of linkage in the assessment of organizational performance*. Academy of Management Review, Vol.7, No.1, pp. 49-58.

Frohlich, M., Dixon, J.R. and Arnold, P. *(1997).“A taxonomy of supply chain strategies’,*Proceedings of the 28th Annual Meeting of the Decision Sciences Institute, San Diego, CA

Garcia, M. Ú. (2005). *Training and business performance; the Spanish case*, International Journal of Human Resource Development*, Vol.* 16, No. 9, pp. 1691- 1710.

Gripsrud, Geir, (2006). *“Suuply chain management-back to the future?”* International Journal of Physical Distribution & Logistics Management, Vol. 36 No. 8, pp.643-659\

Growth and Transformation Plan, 2003-2006 EFY Performance Report, Ministry of Industry, August, 2014,p-2

Gunasekaran, A., Patel, C., & Tirtiroglu, E. (2001). Performance measures and metrics in a supply chain environment. *International Journal of Operations and Production Management 21*(1/2), 71–87.

Habib, M. and C. Jungthirapanich, (2008) *“An integrated framework for research and education supply chain for the universities”,* Proceedings of the 4th IEEE International

Hall, J. (2000). Environmental Supply Chain Dynamics. Journal of Cleaner Production, 8, 455-471.

Handfield Robert B., Kannan Vijay R., Tan Keah Choon. (1998). *Supply Chain Management:“Supplier Performance and Firm Performance”,* International Journal of Purchasing and Materials Management, AZ USA, pp.2-9

Heriberto, Garcia Reyes, Ronald, Giachetti, (2010) "Using experts to develop a supply chain maturity model in Mexico", Supply Chain Management: An International Journal, Vol. 15 Iss: 6, pp.415 – 424.

Heskett, J., Ivie, R. and Glaskowsky, N. (1964). *Business Logistics, Management of Physical Supply and Distribution,* the Ronald Press Company, New York, NY

Heskett, J.L., Glaskowsky,N.A. Jr and Ivie, R.M. (1973). *Business Logistics,* 2nd ed., The Ronald Press, New York, NY, pp.14-21.

Holmberg S. (2000*) A systems perspective on supply chain measurements.* International Journal of Physical Distribution and Logistics Management; Vol. 30, No. 10, pp.847–68.

Horvath, Laura. (2001). *"Collaboration: the key to value creation in supply chain management"* ,Supply Chain Management: An International Journal, Vol. 6 No. 5, pp. 205-207.

Houlihan, John B. (1988). *"International Supply Chains: A New Approach,"* Management Decision, Vol. 26, No. 3, pp. 13-19

Hubbard, G. (2009). *Measuring organizational performance: beyond the triple bottom line.* Business Strategy and the Environment, Vol. 19, pp. 177-191.

Institute of Developing Economics (IDE) At the Japan External Trade Organization (JETRO), Tokyo, 2007.

International Journal of Managing Value and Supply Chains (IJMVSC) Vol.4, No. 4, December 2013

Jones, Thomas and Daniel W. Riley. (1985). *"Using Inventory for Competitive Advantage through Supply Chain Management,"* International Journal of Physical Distribution and Materials Management, Vol. 15, No. 5, pp. 16-26

Kathawala, Yunnus and Khaled Abdou. (2003).*"Supply chain evaluation in the service industry: a framework development compared to manufacturing",* Managerial Auditing Journal,Vol. 18 No. 2, pp.140-149.

Kotzar, H., Seuring, S., Muller, M. and Reiner, G. 2005. *Research methodologies in supply chain management*, Yhysica-Verlag, Germany: Heidelberg

Koufteros, X. A. (1995), *Time-based manufacturing: developing a nomological network of constructs and instrument development*, Doctoral Dissertation, University of Toledo, Toledo, OH.

Koufteros, X. A., Vonderembse, M. A., and Doll, W. J., (1997), *Competitive capabilities: measurement and relationships*, Proceedings Decision Science Institute 3, pp.1067-1068.

Koufteros, X. A.; Vonderembse, M. A., and Doll, W. J. (2002), *Examining the competitive capabilities of manufacturing firms,* Structural Equation Modeling, Vol. 9, No.2, pp. 256-282.

Krejcie, R & Morgan, D. (1970). Determing Sample Size for Research Activities. University of Minnesota, Duluth. Texas . A. & M. University.

La Londe, Bernard J. (1997). *"Supply Chain Management: Myth or Reality?"* Supply Chain Management Review, Vol. 1, spring, 1997, pp. 6-7

La Londe, Bernard J. and James M. Masters, *"Emerging Logistics Strategies: Blueprints for the Next Century,"* International Journal of Physical Distribution and Logistics Management, Vol. 24, No. 7, pp. 35-47

Lambert, D. M., (2008) Supply Chain Management; Process, Partnerships, Performance Supply Chain Management Institute : Sarasota FL

Lee, H. & Billington, C. (1992) *Managing Supply Chain Inventories*: Pitfalls and Opportunities. Sloan Management Review, 65-73.

Leedy PD & Ormrod JE. 2005. *Practical research: planning and design* (8th edition). Upper Saddle River, NJ: Pearson.\

LI, S., RAGU-NATHANB, B., RAGU-NATHANB, T. S., *et al.* The impact of supply chain management practices on competitive advantage and organizational performance. *Omega-International Journal of Management Science*, v.34, n.2, p.107–124, 2006.

Loop, Theo van der (2003). Clothing and footwear in African industrialization: Ethiopia, Institute of Social Studies (ISS), The Netherlands

Lummus, Rhonda and Robert, J. Vokurka. (1999). *"Defining supply chain management: a historical perspective and practical guidelines"*, Industrial Management & Data Systems", Vol.99 No.1, pp.11-17

Ministry of Industry, corporate Communication Directorate, Industry publication,vol.02, 2013 pp 41-43

Moberg, C. R., Cutler, B. D., Gross, A., & Speh, T. W. (2002). Identifying antecedents of information exchange within supply chains. *International Journal of Physical Distribution and Logistics Management 32*(9), 755–770.

Monczka, R. M. and Morgan, J.(1997). *"What's wrong with supply chain management",*Purchasing, pp. Monczka, R. M., Petersen, K. J., Handfield, R. B., & Ragatz, G. L. (1998). Success factors in strategic supplier alliances: The buying company perspective. *Decision Science 29*(3), 5553– 5577. 69-72

Monczka, R. M., Petersen, K. J., Handfield, R. B., & Ragatz, G. L. (1998). Success factors in strategic supplier alliances: The buying company perspective. *Decision Science 29*(3), 5553– 5577.

Monczka, Robert, Robert Trent, and Robert Handfield. (1994). *Purchasing and Supply Chain Management,* Cincinnati, OH: South-Western College Publishing, Chapter 8

Muhammad, B. H. (2004). Supply chain management: Practices, performance and its impact on business performance. Being an unpublished M. Sc Thesis of the University of Utara, Malaysia. 1-67.

Mulat, D., N. Tewodros, D. Solomon, B. Assefa and A. Temesgen (2004).Decent Work Deficits in the Ethiopian Cotton Sector. October 2004. [http://www.ilo.org/public /english/regional/afpro/addisababa/sro/pub/cottoncasestudy.pdf] site accessed on 10 October 2007.

Noble, D. (1997). Purchasing and supplier management as a future competitive edge. *Logistics Focus* 5(5), 23–27.

Novack RA, LangleyJr CJ, Rinehart LM. Creating logistics value: themes for the future. Oak Brook, IL: Council of Logistics Management; 1995.

Oliver, R.K. and Webber, M.D. (1992).*"Supply-chain management: logistics catches upwithstrategy",* in Christopher, M. (Ed.), Logistics: The Strategic Issues, Chapman & Hall,London

Omega the International Journal of Management Science (elsevier.com/locate/omega.2004)

Pagh, J. D., & Cooper, M. C. (1998). Supply chain postponement and speculation strategies How to choose the right strategy. *Journal of Logistics Management 19*(2), 13–33.

Park, Y, (2009) *The relationships among investment in workplace learning, organizational perspective on human resource development, organizational outcomes of workplace learning, and organizational performance* (Doctoral dissertation) Retrieved from Dissertations and Thesis database (osu1245431229)

Petrovic-Lazarevic, S., Sohal, A., and Baihaqi, I. (2007) *Supply Chain Management Practices and Supply Chain Performance in the Australian Manufacturing Industry*. Australia, Monash University,

Petrovic-Lazarevic, Sonja and Amrik Sohal (2002), "Supply Chain Management Performance Evaluation," Working Paper 4/02, Faculty of Business and Economics, Monash University.

Rubin, H. and Rubin, I. (1995). *Qualitative Interviewing: The Art of Hearing Data.* London: Sage Publication

Sadikoglu E. and Zehir C. (2010) 'Investigating the effects of innovation and employee performance on the relationship between total quality management practices and firm performance: An empirical study of Turkish firms', *International Journal of Production Economics,* 127: 13-26.

Sandelands, E. (1994). *"Building supply chain relationships",* International Journal of Physical Distribution & Logistics Management, Vol. 24 No. 3, pp.43-4

Saunders M., Levis Ph. Thornhill A. (2007), Business Research for Business Students', Fourth edition; Prentice Hall, England

Saunders M., Lewis Ph. Thornhill A. (2007), "Research Methods for Business Student's, Fourt Edition: Prentice Hall, England

Scott, C. and Westbrook, R. (1991).*"New strategic tools for supply chain management",* International Journal of Physical Distribution & Logistics Management, Vol. 21 No.1, pp. 23-33

Sengupta, S. and Turnbull, J. (1996). *"Seamless optimization of the entire supply chain",* IIE Solutions, Vol. 28, No. 10, pp.28-33

Stalk, G., Evans, P., and Schulman, L.E. (1992*) Competing on capabilities: the new rules of corporate strategy,* In de Wit and Meyer, Strategy: Process, Content, Context. 2nd Ed. London: Thomson Learning.

Stein, T., & Sweat, J. (1999) Killer supply chains. *Information Week 708*(9), 36–46.

Stevens, Graham C. (1989). *"Integrating the Supply Chains,"* International Journal of Physical Distribution and Materials Management, Vol. 8, No. 8, pp. 3-8

Tan kc, Kannan VR, Handfield RB. Supply Cain Management Supplier performance and firm Performance. International Journal of Operations and Production Management 2004; 24(1):7-14

Tan, K.C. (2001). "*A framework of supply chain management literature",* European Journal of Purchasing and Supply Management, Vol.7 No.1, pp. 39-48

Tan, K.C., Handfield, R.B., & Krause, D.R. (1998) *Enhancing firm's performance through quality and supply base management: an empirical study*. International Journal of Production Research, 36 [10], 2813-2817

Tan, K.C., Lyman, S.B., & Wisner, J.D. (2002) *Supply Chain Management: A Strategic Perspective.* International Journal of Operations & Production Management, 22 (6), 614-633.

Tompkins J, Ang D. What are your greatest challenges related to supply nchain performance measurement?. IIE Solutions 1999;31(6):66.

Tracey M., Vonderembse, M. A. and Lim, J. S. (1999), *Manufacturing technology and strategy formulation: keys to enhancing competitiveness and improving performance*, Journal of Operations Management, Vol. 17 No. 1, pp.411-428.

Tyndall, Gene, Christopher Gopal, Wolfgang Partsch, and John Kamauff. (1998). *"Supercharging Supply Chains: New Ways to Increase Value Through Global Operational Excellence",* NY: John Wiley & Sons

Van der Vorst, (2004) *Supply Chain Management: theory and practices.* International Journal of Physical Distribution and Logistics Management, Vol. 32, no.6, pp.409-430

Van Hoek RI. Measuring the immeasurable—measuring and improving performance in the supply chain. Supply Chain Management 1998;3(4):187–92.

Venkatraman, N., & Ramanujam, V. (1986). *Measurement of business performance in strategy research: a comparison of approaches*, Academy of Management Review, Vol.11, No.4, pp. 801-814.

Waller, M. A., Dabholkar, P. A., & Gentry, J. J. (2000). Postponement, product customization, and marketoriented supply chain management. *Journal of Business Logistics* (2), 133–159.

Weil, M. (1998). "Customize the customer", Manufacturing Systems, Vol. 16 No.4, pp.54

Weil, M. (1998). *"Customize the customer",* Manufacturing Systems,Vol.16 No. 4, pp.54.

Wheelwright, S. C., Clark, K. B. (1994), *Accelerating the design-build-test cycle for effective product development*, International Marketing Review, Vol. 11 No. 1, pp. 32-42.

Appendix I- English Questionnaire

INDIRA GANIDI NATIONAL OPEN UNIVERSITY (IGNU)

MANAGEMENT DEPARTMENT

Questionnaire to be filled by Ambassador Garment and Trade PLC

This academic study entitled on "A STUDY OF SUPPLY CHAIN MANAGEMENT (SCM) PRACTICES & PERFORMANCE AT AMBASSADOR GRAMENT & TRADE PLC is being conducted to fulfill the requirements set by Indira Gandhi National Open University (IGNOU) for awarding of a Master's Degree in Business Administration (MBA in Operations Management). To proceed with the study questionnaires are carefully formulated and developed for the collection of data so as to bring out reliable research output; which in effect gives highlight to further understand, develop, and test the supply chain management practices and their impact on firm's Performance. A number of current literatures suggest the implementation of supply chain management key business processes will have a positive effect on the firm's performance. The objective of this study is to determine the degree to which supply chain management Practices have an effect on key business processes and measure their relationships between these processes and performance in the firm under study. Results from this study will be used to better understand how supply chain management practices impact performance and assist in upgrading the current level of knowledge regarding supply chain management.

I would be greatly appreciating you completing the questionnaires for the validity of the results depends on obtaining a high response rate. Your participation is crucial to the success of this study. Please be assured that your response will be confidential and safeguarded as appropriate.

Again, I would appreciate your prompt cooperation with this study and thank you for your valuable time. If you have any question regarding the questionnaires please call on mob. 0911212045.

Thank You!!

Tsegaye Geda

Note

- No need to write your name
- Put "X" mark for your right answer
- Attempt all the questions

Part One Demographic Data	
1. Name of Branch Organization: Address of the Organization	_____ _____ Sub City_____ Wereda _____
2. Sex	Male ☐ Female ☐
3. Age	1. 18 – 28 ☐ 3. 38 – 48 ☐ 2. 28 – 38 ☐ 4. 48 – 58 ☐
4. Marital Status	1. Single ☐ 2. Married ☐ 3. Divorce ☐ 4. Widow ☐
5. Educational Status	1. 12 Complete ☐ 3. Diploma ☐ 2. Certificate ☐ 4. BA Degree ☐ 5. MA Degree ☐
6. Field of Study	_____
7. Position	1. CPO/President/Deputy President ☐ 2. Director ☐ 3. Manger ☐ 4. If Other Specify_____
8. Total Experience	1. 1 – 5 ☐ 2. 5 – 10 ☐ 3.10 – 15 ☐ 4. 15 – 20 ☐ 5. 20 – 25 ☐
9. Years in the Organization	1. Less than 2 Years ☐ 2. 3-5 Years ☐ 3. 6-10 Years ☐ 4. Above 10 Years ☐

PART TWO: SUPPLY CHAIN MANAGEMENT PRACTICES

SRM- is the process as to how relationship with suppliers is developed and maintained with respect to your firm's SRM process. Please choose and circle the appropriate number to indicate the extent to which you agree or disagree with statement.

The scale below utilizes a **five-point Likert type scale** with response ranging from:

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree Not applicable

Suppliers Relationship Management (SRM)							
No	**Our firm…**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Not Applicable**
1	Rely on few dependable suppliers	1	2	3	4	5	6
2	Rely on few high quality suppliers	1	2	3	4	5	6
3	Considers quality as number one criterion in selecting suppliers.	1	2	3	4	5	6
4	Strive to establish long term relationship with its suppliers.	1	2	3	4	5	6
5	Our firm helps its suppliers to improve their product quality.	1	2	3	4	5	6
6	Has continuous improvement programs that include its key suppliers	1	2	3	4	5	6
7	Includes its key suppliers in its planning and goal setting activities	1	2	3	4	5	6
8	Actively involves its key suppliers in new product development processes	1	2	3	4	5	6
9	Certifies its suppliers for quality	1	2	3	4	5	6
10	Regularly solves problems jointly with its supplier	1	2	3	4	5	6

CRM – the following questionnaires pertain to information to your customers, and your firm's relation with them. Please choose and circle the appropriate number to indicate the extent to which you agree or disagree with statement.

The scale below utilizes a **five-point Likert type scale** with response ranging from:

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree 6. Not applicable

Customer Relationship Management (CRM)							
No	**Our firm…**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Not Applicable**
1	Shares a sense of fair play with its customers.	1	2	3	4	5	6
2	Is in frequent contact with customers to enhance its reliability, responsiveness, and other standards.	1	2	3	4	5	6
3	Has frequent follow-up with its customers for quality/service feedback.	1	2	3	4	5	6
4	Frequently measures and evaluates customer satisfaction.	1	2	3	4	5	6
5	Frequently determines future customer expectations.	1	2	3	4	5	6
6	Facilitates customers' ability to seek assistance from it.	1	2	3	4	5	6
7	Frequently evaluates the formal and informal complaints of its customers.	1	2	3	4	5	6

LIS- It refers to the level of the firms the firm's practices of of information sharing to its respective trading partners. Please choose and circle the appropriate number to indicate the extent to which you agree or disagree with statement.

The scale below utilizes a **five-point Likert type scale** with response ranging from:

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree 6. Not applicable

Level of Information Sharing (LIS)							
No	**Our firm…**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Not Applicable**
1	Shares its business units' proprietary information with its trading partners	1	2	3	4	5	6
2	Informs its trading partners in advance of changing needs.	1	2	3	4	5	6
3	Trading partners share proprietary information with your organization	1	2	3	4	5	6
4	Trading partners keep our firmfully informed about issues that affect	1	2	3	4	5	6
5	Its business.	1	2	3	4	5	6
6	Trading partners share business knowledge of core business processes with our firm	1	2	3	4	5	6

QIS-This includes the accuracy, timeliness, and dependability of the firm's information sharing to its trading partners. Please choose and circle the appropriate number to indicate the extent to which you agree or disagree with statement.

The scale below utilizes a **five-point Likert type scale** with response ranging from:

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree 6. Not applicable

Quality Information Sharing (QIS)							
No	**Our firm…**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Not Applicable**
1	Information exchange between our organization and its trading partners is timely	1	2	3	4	5	6
2	Information exchange between our firm and its trading partners is accurate	1	2	3	4	5	6
3	Information exchange between our firm and its trading partners is complete	1	2	3	4	5	6
4	Information exchange between our firm and its trading partners is adequate	1	2	3	4	5	6
5	Information exchange between our firm and its trading partners is reliable	1	2	3	4	5	6

Competitive Advantage – is the extent to which you firm is able to create a defensible position over its competitors. Please choose and circle the appropriate number to indicate the extent to which you agree or disagree with statement.

The scale below utilizes a **five-point Likert type scale** with response ranging from:

1.Strongly Disagree 2.Disagree 3.Neutral 4.Agree 5.Strongly agree 6. Not applicable

Competitive Advantage							
No	**We…**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**StronglyAgree**	**Not Applicable**
1	Offer competitive prices.	1	2	3	4	5	6
2	Are able to offer prices as lower or lower than our competitors.	1	2	3	4	5	6
3	Offer high quality products/ services to our customer.	1	2	3	4	5	6
4	Are not able to compete based on quality.	1	2	3	4	5	6
5	Offer products / services that are highly reliable.	1	2	3	4	5	6
6	Offer products that are durable.	1	2	3	4	5	6
7	Rarely deliver customer orders on time.	1	2	3	4	5	6

8	Provide dependable delivery.	1	2	3	4	5	6
9	Provide customized products/ services.	1	2	3	4	5	6
10	Offer our products/ services offering to meet clients' needs.	1	2	3	4	5	6
11	Do not respond well to customer demand for 'new' features/ services.	1	2	3	4	5	6
12	Are first in the market in introducing new products products/services.	1	2	3	4	5	6
13	Have time to market lower than industry average.	1	2	3	4	5	6
14	Have fast product development.	1	2	3	4	5	6

Organizational Performance – is the extent to which a firm achieves its market oriented goals as well as its financial goals. Please choose and circle the appropriate number to indicate the extent to which you agree or disagree with statement.

The scale below utilizes a **five-point Likert type scale** with response ranging from:

1. Strongly Disagree 2.Disagree 3.Neutral 4.Agree 5.Strongly agree 6. Not applicable

Organizational Performance							
No	**Indicators**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Not Applicable**
1	Market share	1	2	3	4	5	6
2	Return on investment	1	2	3	4	5	6
3	The growth of market shares	1	2	3	4	5	6
4	Growth in return on investment	1	2	3	4	5	6
5	Profit margin on sales	1	2	3	4	5	6
6	Overall competitive position	1	2	3	4	5	6

Appendix II-Amharic Questionnaire

<u>ኢንድራጋንዲ ኦፕን ዩኒቨርሲቲ (ኢግኑ)</u>

<u>ማኔጅመንት ፕሮግራም</u>

የጥናቱ ርዕስ፡- የአቅርቦት ቁርኝት ስራ አመራርና የስራ አፈፃፀም ጥናት በአምባሳደር ጋርመንትና ንግድ ኃ/የተ/የግ/ማህበር

Research Project- A Study of Supply Chain Management (Scm) Practices and Performance at Ambassador Garment & Trade P.L.C.

ይህን ጥናት ለማካሄድ ያስፈለገበት ምክንያት ኢንድራ ጋንዲ ኦፕን ዩኒቨርስቲ(ኢግኑ) ለሚሰጠው የንግድ አስተዳደር ማስትሬት ዲግሪ(ኤም ቢ ኤ) ማሟያ እንዲሆን ስለሚጠየቅ ነው፡፡ ጥናቱን ለመቀጠልና ለማከናወን መረጃዎችን ማሰባሰብ አስፈላጊ በመሆኑ፣ መጠይቆቹ በጥንቃቄ ተዘጋጅተው እንዲዳብሩ ተደርገዋል፡፡ የዚህ ጥናት ውጤትም የአቅርቦት ቁርኝት ስራ አመራር ተግባሮች በድርጅት ስራ አፈፃፀም ላይ ያላቸውን ተፅእኖ ለመገምገም፣ የላቀ ግንዛቤ ለማስገኘትና ለማዳበር ነው፡፡ ከዚህም ሌላ የአቅርቦት ቁርኝት የሥራ አመራር አተገባበር በዋና የንግድ ሂደቶች የድርጅት የሥራ አፈፃፀምን በተመለከተ የተዘጋጁ በርካታ ፅሁፎች አዎንታዊ ውጤት ያላቸው መሆናቸውን ያመለክታሉ፡፡ የዚህ ጥናት ዋና አላማም ይህን አዎንታዊ ውጤት ለማጥናትና በንግድ ሂደቶቹና በድርጅቱ ስራ አፈፃፀም መካከል ያለውን ግንኙነት ለክቶ ለመለየትና ለማረጋገጥ ነው፡፡ በተጨማሪም በምን ያህል መጠን የአቅርቦት ቁርኝት ስራ አመራር ተግባሮች በድርጅት የሥራ አፈፃፀም ላይ ተፅእኖ እንደሚያስከትሉ ለመለየትና እንዲሁም በአሁኑ ወቅት በአቅርቦት ቁርኝት የሥራ አመራር ግንኙነት ላይ ያለውን የእውቀት ደረጃ ለማነቃቃትና ክፍ ለማድረግ ነው፡፡

እርሰዎ ለመጠይቆቹ ትኩረት በመስጠት በሚያደርጉት ምላሽ ላይ የጥናቱ ውጤት አስተማማኝነት የተወሰነ በመሆኑ፣ ለዚሁ ምላሽ በቅድሚያ ምስጋናዬን አቀርባለሁ፡፡ በዚህ ረገድ የእርሰዎ ተሳትፎ ወሳኝነት አለው፡፡ ለመጠይቆቹ ለሚሰጧቸው ምላሾችም አግባብ ባለው ሁኔታ የሚያዙና ምስጥራዊነታቻው የተጠበቀ ነው፡፡

በድጋሚም ስለ ተሳትፎዎና ለመጠይቆቹ አፋጣኝ ምላሽ ለመስጠት ጠቃሚ ጊዜዎን አስተዋፅኦ በማድረግ ስለተባበሩኝ ምስጋናዬን አቀርባለሁ፡፡ መጠይቆችን በተመለከተ ጥያቄ ካለዎት በሞባይል ቁጥር 09 11 21 20 45 እንዲደውሉ እጠይቃለሁ፡፡

አመሰግናለሁ!

ፀጋዬ ገዳ

ማስታወሻ

ስም መጻፍ አያስፈልግም

- **ለተጠየቀው ጥያቄ ትክክለኛውን ቁጥር ያክብቡ**
- **ማብራሪያ ለሚያስፈልጋቸው ማብራሪያ ይስጡ**
- **ለሁሉም ጥያቄዎች ምላሽ እንዲሰጡ እጠይቃለሁ**

የአቅርቦት ቁርኝት ስራ አመራር ተግባሮች(Suppy Chain Management Practices)

የአቅራቢዎች ግንኙነት ሥራ አመራር(Supplies Relation Management)

የአቅርቦት ቁርኝት ስራ አመራር ከድርጅታችሁ የአቅርቦት ግንኙነት ስራ አመራር ጋር ምን ያህል እንዳደገ እንደተጠናከረና እንዴት እንደሚመራ የሚያሳይ ይሆናል፡፡ ለዚህም ቀጥሎ የተመለከቱትን የመጠይቅ ቁጥሮች አግባብ(ትክክለኛ) ናቸው የሚሉዋቸውን ያክብቡ፡፡

ተ.ቁ	ድርጅታችን...	ፍፁም አልስማማም	አልስማማም	በእርግጠኝነት አልስማማም	እስማማለሁ	በጣም እስማማለሁ	አይተገበርም
1	አስተማማኝ በሆኑ በጥቂት አቅራቢዎች የተወሰነ ነው፣	1	2	3	4	5	6
2	ከፍተኛ ጥራት ባላቸው ምርቶች ጥቂት አቅራቢዎች ላይ የተወሰነ ነው፣	1	2	3	4	5	6
3	አቅራቢዎችን ለመምረጥ ጥራት የመጀመሪያ መስፈርቱ ነው፣	1	2	3	4	5	6
4	ከአቅራቢዎች ጋር የረጅም ጊዜ ግንኙነት እንዲኖር ይጥራል፣	1	2	3	4	5	6
5	አቅራቢዎች የአቅርቦት ጥራትን እንዲያሻሽሉ ያግዛል፣	1	2	3	4	5	6
6	ዋና አቅራቢዎቹን ያካተተ ቀጣይነት ያለው የማሻሻያ ፕሮግራም አለው፣	1	2	3	4	5	6
7	በዕቅዱና በግብ የዝግጅት ሥራዎቹ ዋና አቅራቢዎቹን ያሳትፋል፣	1	2	3	4	5	6

8	አዲስ ምርት በመፍጠር ሂደት ውስጥ ዋና አቅራቢዎቹን በንቃት እንዲሳተፉ ያደርጋል	1	2	3	4	5	6
9	አቅራቢዎቹ የጥራት ደረጃ ያሟሉ መሆናቸውን ያረጋግጣል	1	2	3	4	5	6
10	በዋናነት ከአቅራቢዎቹ ጋር በመሆን ለችግሮች መፍትሄ ይሰጣል	1	2	3	4	5	6

የደንበኞች ግንኙነት ሥራ አመራር(Customers Relationship Management)

ይህን የተመለከቱ መጠይቆች ድርጅታችሁ ከደንበኞች ጋር ያለውን ግንኙነት ለማጥናት የሚያግዙ መረጃዎችን ለማሰባሰብ ነው፡፡

ተ.ቁ.	ድርጅታችን...	ፍፁም አልስማማም	አልስማማም	በእርግጠኝነት አልስማማም	እስማማለሁ	በጣም እስማማለሁ	አይተገበርም
1	ደንበኞቹን በእኩል ደረጃ ያስተናግዳል	1	2	3	4	5	6
2	ከደንበኞቹ ጋር የሚያደርገው የሁልጊዜ ግንኙነት አስተማማኝነትን፣ሐሳብ-ሰጭነትንና ሌሎች መመዘኛዎችንም ያበረታታል	1	2	3	4	5	6
3	ስለ አቅርቦቱ ጥራትና ስለሚሰጠው አገልግት በደንበኞቹ ግብረ-መልስ አቀባበል ላይ የሁልጊዜ ክትትል ያደርጋል	1	2	3	4	5	6
4	የደንበኞቹን ዕርካታ ሁልጊዜ ይለካል፣ ይገመግማል	1	2	3	4	5	6
5	ደንበኞቹ ወደፊት ስላላቸው ፍላጎት በየጊዜው በአጽንኦት ይከታተላል፣ይለያል	1	2	3	4	5	6
6	ደንበኞቻችን የሚፈልጉትን አገልግሎት ከድርጅታችን የሚያገኙበትን ችሎታ ያበረታታል	1	2	3	4	5	6
7	መደበኛና መደበኛ ያልሆኑ የደንበኞቹን ቅሬታዎች ዘወትር ይገመግማል	1	2	3	4	5	6

የመረጃ ልውውጥ(Information Sharing)

አስፈላጊና ትክክለኛ መረጃ በአቅርቦት ቁርኝት ውስጥ ለሚገኝ የንግድ አጋር የማካፈል ሂደትን ይመለከታል፡፡

ተ.ቁ.	ድርጅታችን...	ፍፁም አልስማማም	አልስማማም	በእርግጠኝነት አልስማማም	እስማማለሁ	በጣም እስማማለሁ	አይተገበርም
1	ለንግድ ክፍሎቹና ለንግድ አጋሮቹ አግባብነት ያለውን መረጃ ያካፍላል	1	2	3	4	5	6
2	ለንግድ አጋሮቹ የፍላጎቶች ለውጥ መኖሩን በቅድሚያ ያሳውቃል	1	2	3	4	5	6
3	የንግድ አጋሮቻችን አግባብነት ያለውን መረጃ ከድርጅታችን ጋር ይለዋወጣል.	1	2	3	4	5	6
4	የንግድ አጋሮቻችን ንግዱን የሚነኩ ጉዳዮችን ድርጅታችን በተሟላ ሁኔታ እንዲያውቀው ያደርጋሉ.	1	2	3	4	5	6
5	የንግድ አጋሮቻችን የንግድ ዕውቀት የሆኑ ዋና የንግድ የሥራ ሂደቶችን ለድርጅታችን ያካፍላሉ.	1	2	3	4	5	6
6	የንግድ አጋሮቻችን ለንግድ ዕቅድ የሚረዱ መረጃዎችን ያካፍላሉ.	1	2	3	4	5	6
7	ከንግድ አጋሮቻችን በየጊዜው ስላለው ወይም በለውጥ ምክንያት ከሁለት በአንዳችን ላይ ስለሚያስከትለው ጉዳት ቀጣይነት ባለው ሁኔታ መረጃ እንለዋወጣለን፣						

የመረጃ ጥራት ልውውጥ (Quality Information Sharing)

ይህ የሚካሄደው የመረጃ ልውውጥ ትክክለኛነት ወቅታዊነት ሙሉነት አስተማማኝነት የመሳሰሉትን ያካትታል፡፡

ተ.ቁ.	ድርጅታችንና...	ፍፁም አልስማማም	አልስማማም	በእርግጠኝነት አልስማማም	እስማማለሁ	በጣም እስማማለሁ	አይተገበርም
1	በንግድ አጋሮቻችን መካከል ያለው የመረጃ ልውውጥ ወቅታዊ ነው	1	2	3	4	5	6
2	በንግድ አጋሮቻችን መካከል ያለው የመረጃ ልውውጥ ትክክለኛ ነው	1	2	3	4	5	6
3	በንግድ አጋሮቻችን መካከል ያለው የመረጃ ልውውጥ የተሟላ ነው	1	2	3	4	5	6
4	በንግድ አጋሮቻችን መካከል ያለው የመረጃ ልውውጥ በቂ ነው	1	2	3	4	5	6
5	በንግድ አጋሮቻችን መካከል ያለው የመረጃ ልውውጥ አስተማማኝ ነው	1	2	3	4	5	6

የተወዳዳሪነት ጥቅም (Competitive Advantage)

ደርጅቱ ለተወዳዳሪዎቹ ምን ያህል የመከላከል ደረጃ ያለውና ይህንንም ለመፈፀም ያለውን ችሎታ የሚያመለክቱ መጠይቆችን የተመለከተ ነው።።

ተ.ቁ.	እኛ...	ፍፁም አልስማማም	አልስማማም	በእርግጠኝነት አልስማማም	እስማማለሁ	በጣም እስማማለሁ	አይተገበርም
1	ተወዳዳሪ የሆነ ዋጋ እንሰጣለን	1	2	3	4	5	6
2	ዝቅተኛ ወይም ከተወዳዳሪዎቻችን ያነሰ ዋጋ የመስጠት ችሎታ አለን	1	2	3	4	5	6
3	ለደንበኞቻችን ከፍተኛ ጥራት ያላቸውን ምርቶች እናቀርባለን፣አገልግሎቶች እንሰጣለን	1	2	3	4	5	6
4	ጥራትን መሠረት በማድረግ ለመወዳደር አንችልም	1	2	3	4	5	6
5	ከፍተኛ አስተማማኝነት ያላቸውን ምርቶችን እናቀርባለን አገልግሎትን እንሰጣለን	1	2	3	4	5	6
6	ለረጅም ጊዜ የሚቆዩ ምርቶችን እናቀርባለን	1	2	3	4	5	6
7	የደንበኞቻችንን ትዕዛዝ አልፎ አልፎ በወቅቱ እንፈጽማለን	1	2	3	4	5	6

8	አስተማማኝርክክብ እንፈጽማለን፣	1	2	3	4	5	6
9	የተለመደ የምርት አገልግሎት እንሰጣለን	1	2	3	4	5	6
10	የምርት አቅርቦቶቻችንና የደንበኛውን ፍላጎት እንዲያሟሉ እንለውጣለን	1	2	3	4	5	6
11	ደንበኞቻችን ለሚፈልጓቸው አዲስ ገጽታዎች/ፍላጎቶች በትክክል ምላሽ አንሰጥም	1	2	3	4	5	6
12	አዳዲስ ምርቶችን፣አገልግሎቶችን በገበያው ውስጥ በማስተዋወቅ ቀዳሚ ነን	1	2	3	4	5	6
13	ከተሠማራንበት የኢንዱስትሪ አማካይ ባነሰ ለገበያው የምንሸጥበት ጊዜ አለን	1	2	3	4	5	6
14	አፋጣኝ የምርት ልማት አለን	1	2	3	4	5	6

ድርጅታዊ የሥራ አፈጻጸም(Organizational Performance)

ድርጅቱ የገበያና እንዲሁም የፋይናንስ ግቦቹን የሚያሳካበትን ምላሽ ይመለከታል፡፡

ተ.ቁ.	አመላካቾች...	በጣም ዝቅተኛ	ዝቅተኛ	አማካይ	ከፍተኛ	በጣም ከፍተኛ	አይተገበርም
1	የገበያ ድርሻ	1	2	3	4	5	6
2	ከኢንቨስትመንት ያለው ምላሽ (ROT)	1	2	3	4	5	6
3	የገበያ ዕድገት ድርሻ	1	2	3	4	5	6
4	በሽያጭ ላይ ያለው ትርፍ	1	2	3	4	5	6
5	ለኢንቨስትመንቱ ምላሽ ያለው ዕድገት	1	2	3	4	5	6
6	በሽያጭ ላይ ያለው የትርፍ መጠን	1	2	3	4	5	6
7	አጠቃላይ የውድድር ደረጃ	1	2	3	4	5	6