



**ST. MARY'S UNIVERSITY COLLEGE  
SCHOOL OF GRADUATE STUDIES**

**THE EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON  
ORGANIZATIONAL PERFORMANCE: THE CASE OF DIEGO- META  
ABO BREWERY ETHIOPIA.**

**BY  
MELAT DESSALEGN**

**July 2021  
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY COLLEGE,  
SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION (HRM CONCENTRATION)**

**July 2021  
ADDIS ABABA, ETHIOPIA**

**ST. MARY'S UNIVERSITY COLLEGE  
SCHOOL OF GRADUATE STUDIES  
FACULTY OF BUSINESS**

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**MELAT DESSALEGN**

**APPROVAL OF BOARD OF EXAMINERS**

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**Dean, Graduate Studies**

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\_\_\_\_\_  
**Advisor**

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**External Examiner**

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**Internal Examiner**

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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of\_\_\_\_\_. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution to earn any degree.

Melat Dessalegn

\_\_\_\_\_

Name of student

Signature

St. Mary's University, Addis Ababa

July 2021

## **Endorsement**

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor

St. Mary's University, Addis Ababa

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Signature

July 2021

## **Acknowledgments**

My sincere and deepest gratitude goes to St. Mary's University School of Graduate Studies, MBA Program, for providing an opportunity to prepare and conduct this study project. My thanks also go to my advisor, DR. Temesgen Belayneh who gave me uninterrupted support by commenting on my write-ups starting from developing my proposal up to now. I would like to thank Mr. Ermias Alemneh Financial Manager at Meta Abo, Jacros branch for his kind cooperation and support during the data collection. Finally, I would like to thank all the participants of my study at Meta Abo, Jacros branch.

## Abbreviations

<b>CRM</b>	Customer Relationship Management
<b>GSCM</b>	Global Supply Chain Management
<b>MFP</b>	Manufacturing Firms' Performance
<b>MRP</b>	Manufacturing Resource Planning
<b>OP</b>	Organizational Performance
<b>OTC</b>	Order to Cash
<b>PTP</b>	Procure/Purchase-to-Pay
<b>ROI</b>	Return on Investment
<b>SC</b>	Supply Chain
<b>SCM</b>	Supply Chain Management
<b>SCMP</b>	Supply Chain Management Practice
<b>SCP</b>	Supply Chain Performance
<b>SD</b>	Standard Deviation
<b>WIP</b>	Work in Process

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## Abstract

*A supply chain is a sequence of processes and flows that aim to meet final customer requirements and take place within and between different supply chain stages. It includes coordination and collaboration with channel partners, suppliers, third-party service providers, and customers. Due to the number of rival companies expanding both locally and globally, organizations are facing different kinds of challenges in today's dynamic global markets. To remain competitive, organizations must recognize the importance of supply chain practices that improve not only their organizational performance. The objective of the study is to investigate the effect of supply chain management practices on organizational performance in Diageo- Meta Abo Brewery Ethiopia. The study was used a descriptive research design in which selection of respondents was done using a purposive, stratified and simple random sampling technique. The analysis was made using descriptive statistics and the significant relationship of the independent variables with the dependent variable was made using inferential statistics (correlation and regression analysis). The descriptive analysis result shows, the majority of the respondents were male (54.1%). Most (57.6%) of the respondents during data collection were under 26 to 35 years old. 71.5% of them have bachelor's degrees. The correlation analysis result shows that supply chain management practices i.e. strategic supplier Partnership, Customer relationship, Level of Information Sharing, and Quality of Information Sharing have a positive and significant relationship with organizational performance. Finally, according to the regression analysis result, that all the constructs SCMPs have a positive and significant influence on Organizational Performance. Hence, all the hypotheses that support the positive and significant relationship were accepted. i.e, the researcher accepts all the null hypotheses. Therefore, Due to the organization's strong supply chain management, customer relations, and information sharing system, its performance was found to be high.*

**Keywords:** *Supply Chain Management, Supplier Relationship Management, Customer Relationship Management, Level of Information Sharing, Quality of Information Sharing.*

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of The Study

A supply chain is a sequence of processes and flows that aim to meet final customer requirements and take place within and between different supply chain stages. The supply chain not only includes the manufacturer and its suppliers, but also (depending on the logistics flows) transporters, warehouses, retailers, and consumers themselves. It includes, but is not limited to, new product development, marketing, operations, distribution, finance, and customer service (Van der Vorst, J. G. A. J., 2004 & Ayalew, B., 2018).

Supply chains encompass the companies and the business activities needed to design, make, deliver, and use a product or service. Businesses depend on their supply chains to provide them with what they need to survive and thrive. Every business fits into one or more supply chains and has a role to play in each of them. The pace of change and the uncertainty about how markets will evolve has made it increasingly important for companies to be aware of the supply chains they participate in and to understand the roles that they play. Those companies that learn how to build and participate in strong supply chains will have a substantial competitive advantage in their markets (Ayalew, B., 2018).

The understanding and execution of supply chain management (SCM) practices have a key role for an organization in staying competitive and for enhancing profitability in the increasingly competitive global marketplace (Childerhouse, P., & Towill, D. R., 2003 & Haile, M., 2017).

Organizations are facing different kinds of challenges in their effort of competing in today's dynamic global markets. To remain competitive, organizations must recognize the importance of effective supply chain practices that improve not only their organizational performance but also coordinate with their supply chain partners to improve their joint performance. Yet, despite the significant advances in research and practices, many organizations continue to struggle to understand the complex issues associated with the coordinated planning and supply activities amongst the members of their supply networks (Cook, L. S., Heiser, D. R., & Sengupta, K., 2011).

The beer industry has been through much change in recent years with numerous entrants in the better beer segment and consolidation among larger brewers. BGI, Dashen, Heineken, Meta, Habesha, and Anbessa are the six beer companies operating in Ethiopia which collectively run more than 11 factories. Four giant liquor and two wineries also make part of Ethiopia's growing beverage industry. Since the industry is extremely competitive pursuing effective supply chain management is the best methodology to reduce costs, increase customer satisfaction, better utilize assets, and build new revenues (Haile, M., 2017).

Diageo is the 11th largest company in the UK. It has bases in 180 countries around the world, with growing markets in Africa, as well as substantial interests in Europe and North America. It is a global leader in beverage alcohol with an outstanding collection of brands across spirits and beer categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan's and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray, and Guinness (MEHABAW, M., 2017).

Meta Abo Brewery S.C, a public enterprise, was established in June 1967 with an initial capital of 2 million Birr and a production capacity of 50,000hl/annum. The principal aim of Meta Abo Brewery is to meet the customers' requirements for quality beer and offer customers more choices in the market without affecting the environment. Thus, the Brewery is highly committed to waste reduction, waste management, and satisfying customers' needs and expectations. Meta Abo Brewery utilizes state-of-the-art technology and has a highly qualified professional workforce that enables it to compete on the export market with the leading international beer producing and marketing companies (MEHABAW, M., 2017).

## **1.2. Statement of the Problem**

The supply chain is a system of organizations, people, technology, activities, information, and resources involved in moving a product or service from supplier to customer. Supply chain activities transform natural resources, raw materials, and components into a finished product that is delivered to the end customer. The Council of Supply Chain Management Professionals defines supply chain management as follows: "Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics

management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers (Aboneh, H., 2017).

Due to the number of rival companies expanding both locally and globally, companies not only have to reestablish themselves to produce higher-quality products and services, to decrease wastes, and try to be able to respond to the market but also to handle their supply chain management efficiently (Kindie, S., 2017).

Effective supply chain management can provide a major source of competitive advantage. A successful SCM implementation is expected to enhance the relationship between upstream suppliers and downstream customers, and thereby increase customer satisfaction and firm performance. The goal of a supply chain manager must therefore be to link the end customers, the channels of distribution, the production processes, and the procurement activity in such a way that customers' service expectations are exceeded and yet at a lower total cost than the competition (Ibrahim, S. B., & Hamid, A. A., 2014).

Any weaknesses in the supply chain management can severely affect the production and delivery of products to consumers. This may have negative impacts on the profitability of the processing firms. Lack of awareness of upcoming technologies telecommunications and IT impediments and energy supplies unreliable (NYANCHOKA, N., 2017). Effective supply chain management practices are important to build and sustain competition in the products and services of the firm. The performance of the supply chain is influenced by managing and integrating key elements of information into its supply chain. To achieve effective supply chain integration the firms need to implement information technology that will see them gain competitive advantage through numerous supply chain dimensions such as quality, cost, flexibility, delivery, and profit (Mwale, H., 2014).

Supply Chain Management practice in Ethiopia is still in the infancy stages, there are small numbers of manufacturing companies integrating it into their organizational system. Besides, there are some challenges in the brewery industry that resulted in reducing the quality and demand of products manufactured domestically. One of the problems is the poor SCM practice of organizations in the brewery industry (Ayalew, B., 2018).

The brewery industry is extremely competitive and also faces new opportunities and challenges. Changing consumer demands and preferences require new ways of maintaining current customers and attracting new ones. In a majority of beer markets, there has been a steady shift towards premium brands that offers health benefits. As a result, there is a focused switch by brewers from mainstream brands to premium brands to enhance their growth prospects. This in turn has resulted in an increasing need to have an efficient supply chain network and to reduce operating expenses (Haile, M., 2017).

The problem to be explored in this paper was to establish the relationship between the variables of supply chain management practice and organizational performance of Diageo - Meta Abo Brewery Addis Ababa, Ethiopia. Strategic supplier partnership, customer relationship, level of information sharing, and quality of information sharing are the variables to be selected.

### **1.3 Basic Research Questions**

Hence, this study is aimed to answer, what are the practices of Supply Chain Management in Diageo - Meta Abo Brewery and more specifically to answer the following basic research questions.

- Q1.** What is the effect of strategic supplier partnership on organizational performance at Diageo - Meta Abo Brewery Ethiopia?
- Q2.** What is the effect of customer relationships on organizational performance at Diageo - Meta Abo Brewery Ethiopia?
- Q3.** How does the level of information sharing affect organizational performance at Diageo - Meta Abo Brewery Ethiopia?
- Q4.** How does the quality of information sharing affect organizational performance at Diageo - Meta Abo Brewery Ethiopia?
- Q5.** How is the performance of Diageo - Meta Abo Brewery while implementing supply chain management practices?

## **1.4. Objective of the Study**

### **1.4.1. General objective**

The major objective of this study is to investigate the effect of Supply Chain Management Practices on Organizational Performance in Diageo- Meta Abo Brewery Ethiopia.

### **1.4.2. Specific objectives**

1. To determine the effects of strategic supplier partnership on organizational performance at Diageo - Meta Abo Brewery Ethiopia.
2. To examine the effects of customer relationships on organizational performance at Diageo - Meta Abo Brewery Ethiopia.
3. To assess the effects of level of information sharing affect organizational performance at Diageo - Meta Abo Brewery Ethiopia.
4. To examine the effects of quality of information sharing affect organizational performance at Diageo - Meta Abo Brewery Ethiopia.
5. To determine the performance of Diageo - Meta Abo Brewery while implementing supply chain management practices.

## **1.5. Significance of the Study**

It is assumed that the study of supply chain management practices and challenges to their successful execution in this complex and competitive business environment is of the following interest to scholars, corporate managers, and policymakers; and generally to business professionals, and especially to the case organization.

Specifically, this research has the following key meanings: This paves the way for educators or training institutions to consider the issues related to supply chain management when planning training and also serves as a springboard for further and more comprehensive research in the area.

## **1.6. Scope of the Study**

SCM includes vast areas of executive activities. However, in all areas that summarize SCM in terms of time, finance, and analysis manageability, the study is difficult and unmanageable to perform. Therefore, in terms of subject matter, the focus of this study is restricted to SCM activities



such as (strategic supplier partnership, customer relationship, level and quality of information sharing) and the organizational performance of Meta Abo brewery.

### **1.7. Definition of terms**

**Supply Chain:** are all inter-linked resources and activities needed to create and deliver products and services to customers (Aboneh, H., 2017).

**Supply Chain Management:** Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers (Aboneh, H., 2017).

**Organizational performance:** Organizational performance refers to how well an organization achieves its market-oriented goals as well as its financial goals (Ayalew, B., 2018).

### **1.8. Limitations of the Study**

It is going to be difficult to cover the entire domain of the supply chain management practices just in one study. Many participants in the study might not be interested or be serious in the study response, and because of respondents not providing detailed opinions/views to some questions despite being aware of the research topic, there might be a hard time. Therefore it is not representing all constructs that could explain Supply chain management practices.

### **1.9 Organization of the study**

The paper has five chapters; Chapter one includes; introduction, statement of the problem, basic research questions, objective, significance and scope of the study, and limitation of the study. Chapter two includes; literature review in which a critical review of scholars' work in the research topic will be presenting. Chapter three includes; methodology the type and design of the research are defined and participants of the study, data sources, data collection instruments, data collection procedures, and data analysis methods used defined as well. Chapter four includes; data presentation, analysis, interpretation, and discussion of the results. Finally Chapter five includes; summary of the study, conclusion, and recommendations.

## CHAPTER TWO

### RELATED LITERATURE REVIEW

#### Introduction

The emphasis of this chapter of the thesis is on the analysis of the relevant conceptual problems, the theoretical framework, and the empirical review related to this study subject. This chapter also addresses supply chain management issues, supply chain management strategies, and organizational success by drawing on previous studies in this field and presenting applicable reviewed literature for this report.

#### 2.1. Theoretical Literature

##### 2.1.1. Meaning and concept of Supply Chain Management

Over the past decade, the traditional purchasing and logistics functions have evolved into a broader strategic approach to materials and distribution management known as SCM. This paper aims at reviewing the SCM evolution and the factors that have influenced it. By identifying these factors, we were able to get more insights into SCM.

Supply chain management (SCM) is a management concept of the 2000s. It includes divisions from the management concepts of previous decades. Many definitions for SCM have been presented, but none of these definitions is universal (Aboneh, H., 2017). The lack of a universal definition of SCM is in part due to the way the concept of the supply chain has been developed. The concept of the supply chain has been considered from different points of view in different bodies of literature. Such a multidisciplinary origin makes it difficult to come up with a universal definition of SCM. Despite the barriers to making a universal definition of SCM, attempts to synthesize two definitions, one for supply chain and one for SCM, by extensively examine various definitions of the terms “supply chain” and “Supply Chain Management”. Their definitions are:

A supply chain is a “set of three or more entities directly involved in the upstream and downstream flow of products, services, finances, and information from a source to the customer”

Supply Chain Management is “the systematic, strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across

businesses within the supply chain, to improve the long-term performance of the individual companies and the supply chain as a whole” (Mehmeti, G., 2016).

Therefore, there is a broader definition determined by the Global Supply Chain Forum which is generally accepted as a norm “Supply Chain Management (SCM) is the integration of key business process from end-user through original suppliers that provides products, services, and information that add value for customers and other stakeholders” (Aboneh, H., 2017).

The concept of SCM is not enough for being efficient and competitive in the new environment that is why the new concept and management strategies are emerging. By looking at the evolutionary history of SCM, we see that there are huge changes in the way firms used to operate in the chain and the way they are operating now. It should be noted that there are linkages between the factors that have influenced the evolution of SCM and the factors that affect the supply chain performance because with the evolution of the SCM the performance of the supply chain has increased (Mehmeti, G., 2016).

### **2.1.2. Benefit of Supply Chain Management**

SCM has been growing in importance, from the early practice of concentrating on internal processes to the web-linking of supply chain partners. Firms have been pressed to increase their operational efficiencies to stay competitive. Companies have begun to see the value in effective supply chain relations. Benefits found resulting from electronic SCM include lower inventory levels, quicker response to problems, higher quality levels, higher customer satisfaction, and more diverse product offerings.

As internal processes have been improved, external relationships have been examined as the next area of business improvement. Yet, the supply chain must also become more open with its information sharing, and supply chain partners will need to develop a greater degree of trust. Electronic SCM allows for the entire supply chain to become a community, dedicated to efficient operations and customer service (SEWUYE, W., 2013).

In an increasingly competitive global marketplace, most firms are competing with a high level of market pressure worldwide. To be successful, they need to develop a better way to ensure that customers are satisfied with high service levels at acceptable prices. Based on this strategy, the

focus is now shifting towards effective supply chain management. Instead of doing business with other organizations one by one, firms need to manage a whole network of relationships to include logistics and other business processes, from suppliers to end-users. Effective supply chain management (SCM) has become a potentially valuable way of securing a competitive advantage and improving organizational performance (Al-Madi, F., 2017).

Making SCM a competitive advantage requires meeting two main challenges, the strategic challenge, and the integration challenge. Developing deeper insight into how to determine what to outsource and when to partner is the key to addressing the first, and the ability to align interests, develop partnership networks and manage complexity and risk across the extended enterprise is crucial to meeting the second (SEWUYE, W., 2013).

SCM appears to treat all organizations within the value chain as a unified and virtual business entity. It includes activities such as planning, product design and development, sourcing, manufacturing, fabrication, assembly, transportation, warehousing, distribution, and post-delivery customer support. SCM has become more important, as the strategy is increasingly viewed as a source for contributing to the revenues of the firm (SEWUYE, W., 2013).

## **2.2. Supply Chain Management Practices (SCMP)**

SCM practices are defined as the set of activities undertaken by an organization to promote effective management of its supply chain; such as the approaches applied in integration, managing, and coordination of supply, demand, and relationships to satisfy clients effectively: as tangible activities/technologies that have a relevant role in the collaboration of a focal firm with its suppliers and/or clients; and as the approach to involve suppliers in decision making, encouraging information sharing and looking for new ways to integrate upstream activities. As a consequence, it involves developing customer contacts by customer feedback to integrate the downstream activities and delivering orders directly to customers (Nyangweso, W., 2013).

The practice of SCM refers to a complete set of actions that are done in organizations to improve the effectiveness in the internal supply chain. The modern evaluation of the SCM practices that comprise of partnership with the supplier, process of outsourcing, compression of cycle time, continuousness of process flow, and sharing of technology and information by using purchasing the quality and relations with the customer. SCM in practice means includes the involved

companies planning and strategy for coordination of their supply chain, including collaboration between functions internally as well as across the company (Ibrahim, S. B., & Hamid, A. A., 2014).

In reviewing different works of literature, for measuring SCMP there are four distinctive dimensions, these are; strategic supplier partnership, customer relationship, level of information sharing, and quality of information sharing. The four constructs cover upstream (Strategic Supplier Partnership) and downstream (Customer Relationship) sides of a supply chain, information flow across a supply chain (Level of Information Sharing and Quality of Information Sharing).

### **2.2.1. Strategic Supplier Partnership**

Strategic supplier partnership emphasizes direct relationships and long-term and encourages mutual planning and efforts to resolve the problem. Suppliers and organizations can work together more closely and eliminate useless time and effort. Effective partnerships with suppliers can be a critical factor to guide supply chain management. In strategic supplier partnerships, suppliers play a direct role in an organization's quality performance (Haile, M., 2017). It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits. 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 (Ayalew, B., 2018).

Strategic partners in the supply chain must realize that the purchasing function is a critical link between the source of the supply chain and the organization itself, with the support coming from the overlapping activities to enhance manufacturing ability for both the customer and suppliers. 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 (Ayalew, B., 2018 & Kindie, S., 2017).

### **2.2.2. Customer Relationship**

Customer relationship involves managing the complaints of the customers and fast solutions to their problems this helps the organization for maintaining a long-term and good relationship with the customers. Customer relationship management (CRM) is an important component of SCM. A firms' customer relationship practices can generate organizational success in supply chain management practices efforts as well as its performance. That is, trying to define the real need of

the customer, by the enterprise integrating various processes and technology, in asking for internal product and service improvement, to dawn an effort of enhancing customer satisfaction and loyalty (Ibrahim, S. B., & Hamid, A. A., 2014). The main customer relationship goals are identifying new business opportunities, reduce missed opportunities, reducing customer defection, creating customer loyalty, improve customer service, improve organization performance, reduce costs, and increase revenue (Haile, M., 2017).

Committed relationships are the most sustainable advantage because of their inherent barriers to competition. The growth of mass customization and personalized service is leading to an era in which relationship management with customers is becoming crucial for corporate survival. Customer relationship is the key element in today's SCM practices implementation in any organization. Good relationships with supply chain members, including customers, are needed for the successful implementation of SCM programs. 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 (Ayalew, B., 2018 & Aboneh, H., 2017).

### **2.2.3. Level of information sharing**

The level of information sharing refers to the extent to which critical and proprietary information is communicated to one's supply chain partner (Kindie, S., 2017). Sharing of information consists of two elements as quality and quantity; both elements are significant for supply chain management practices and are used as exogenous constructs in supply chain management. Within an organization, shared information can differ from the strategic level to the tactical level as well as from logistics movements to market and information-related customers (Khalil, M., Khalil, R., & Khan, S., 2019).

Many researchers have suggested that the key to the seamless supply chain is making available undistorted and up-to-date marketing data at every node within the supply chain. By taking the data available and sharing it with other parties within the supply chain, information can be used as a source of competitive advantage. Moreover, consider the effective use of relevant and timely information by all functional elements within the supply chain as a key competitive and distinguishing factor (Mwale, H., 2014).

Supply chain partners who exchange information regularly can work as a single entity. Together, they can understand the needs of the end customer better and hence can respond to market change quicker. The empirical findings reveal that simplified material flow, including streamlining and making highly visible all information flow throughout the chain, is the key to an integrated and effective supply chain (Aboneh, H., 2017).

#### **2.2.4. Quality of information sharing**

Quality of information sharing includes such as accuracy, timeliness, adequacy, and credibility of information exchanged to make the entire supply chain more competitive and resourceful (Mollel, A. A., 2015).

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. Divergent interests and opportunistic behavior of supply chain partners, and informational asymmetries across the supply chain affect the quality of information. It has been suggested that organizations will deliberately distort information that can potentially reach not only their competitors but also their suppliers and customers (Mwale, H., 2014).

It appears that there is a built-in reluctance within organizations to give away more than minimal information 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. Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion (Mwale, H., 2014).

### **2.3. Organizational Performance**

Organizational performance refers to how well an organization achieves its market-oriented goals as well as its financial goals. 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. Any organizational initiative, including supply chain management, should ultimately lead to enhanced organizational performance (Haile, M., 2017).

Organizational performance has many forms which depend on whom and what the measurement is intended for. A firm performance has three indicators i.e., financial related (profits, return on investment, return on assets, etc.), market-related performance (sales, market share, etc.), and return to shareholders (total shareholder return, economic value-added, etc.). On the other hand, firm performance is the capacity of a business entity to achieve its long-term objectives through efficient managerial practice, good corporate governance, and a continual rededication of cost (Afework Y., Chekole A. & Neeraj Saxena N., 2020).

Measuring organizational performance is an inherently difficult process. Since there is no single consensus definition as well as how it should be measured. However, for over a long time, financial metrics have served as a tool for comparing organizations and evaluating an organization's behavior. Several studies have pointed out different dimensions of measuring organizational performance, whereby the majority of these studies have utilized financial and market indicators as main measures of organizational performance; such as market share, return on investment (ROI), the growth of market share, the growth of sales, growth in return on investment, the profit margin on sales and overall competitive position of the organization (Mollel, A. A., 2015).

Others measure performance through four separate dimensions including perceived value, customer loyalty, market performance, and financial performance. Similarly, others use six items for performance including product quality, customer service, competitive position, market share, average selling price, and return on assets. Customer service performance is followed by financial performance as the performance constructs and finally, operational performance via three levels of performance criteria: strategic, operational, and financial. Strategic performance is measured by market share and sales growth, operational performance is measured by lead-time performance and financial performance is assessed through return on investments and return on sales (Aboneh, H., 2017).

Many empirical studies have examined the relationship between supply chain management (SCM) and organizational performance. The relevant items adapted to measure organizational performance includes higher sales, higher accuracy in costs, and improved coordination between departments, improved coordination with suppliers, and improved coordination with customers. Some other measures such as lead time, inventory turnover, product return, sales level, cost



reduction, and meeting customers' requirements to measure the operational performance (Aboneh, H., 2017).

To achieve organizational performance through employees, the organization must consider them as assets and they must be treated with great attention so that the employees become productive. There are several indicators by which organizational performance may be judged; the balanced scorecard offers both qualitative and quantitative measures that acknowledge the expectations of different stakeholders and related assessment of performance in a choice of strategy. In this way, performance is linked both to short-term outputs and process management. Due to the realization that people are the most valuable assets in an organization, the importance of performance management has been pushed to the fore (Nyangweso, W., 2013).

#### **2.4. Ethiopian Experience in SCM**

SCM practices and challenges in different industries of Ethiopia were studied in different dissertations. The results of different researches in the practices of SCM in different commercial sectors of Ethiopia are poor. A study was done on the practice of SCM for Ethiopian textile firms. It was found that SCM practices in Ethiopian textile firms are weak and not considering SCM as a strategic tool for competition. Business managers of the textile firms didn't give attention to SCM theories and practices. In another study was done on the impact of SCM practices on the organizational performances in metal and engineering industries. The result of the study shows that the implementation of SCM in this industry is weak. Also, the SCM practices don't have any relationship with organizational performances except internal lean practices (SEWUYE, W., 2013).

A study was conducted on the practices of SCM in cement industries. The result of the thesis shows similar to other industries in the country i.e. the practice of SCM in the cement industry is almost poor. There seems that the demand outweighs the supply of the cement, which contributes to not using SCM as a competitive strategy. Also, the SCM and model development study as a case study of Mesfin Industrial Engineering plc. The result of this study shows that most of the employees of the company don't have awareness of SCM. The company also doesn't use supply chain cost analysis rather than using the traditional accounting system (SEWUYE, W., 2013).

A study done on BGI Ethiopia revealed that there is a low level of practical implementation of SCM practices in BGI Ethiopia and that only Customer relationship has a strong significant influence on competitive advantage. Strategic supplier partnership, Level of information sharing, and Level of information quality on competitive advantage have no significant influences on the competitive advantage of the case company. Quality, Delivery dependability, and time to market have strong significant influences on organizational performance (Haile, M., 2017).

A study done on AWASH Wine S.C Ethiopia concluded that four Supply Chain Management Practice constructs (Customer relationship, Level of Information Sharing, Quality of Information Sharing, and Internal Lean Practices) have a positive and significant influence on Organizational Performance. Whereas, Strategic Supplier Partnership has not statistically significant to influence Organizational Performance (Ayalew, B., 2018).

## **2.5. Supply chain in Brewery Industry/Distribution**

The brewery industry is going through a particularly challenging phase given the current economic, social, and cultural changes globally. While technology advancements can help address these massive structural shifts, there needs to be a deeper comprehension of the strategic requirement before embarking on technology and business initiatives (Haile, M., 2017).

The traditional distribution system in the brewery industry involves a three-tier structure with delivery enabled through value-added distributors. This structure is of particular relevance to the North American market. These distributors merchandise, sell and deliver the product to the end consumers. This structure often creates a conflict of interest between the value-added distributors and the beer manufacturers. The manufacturer's profits from increased sales are at the expense of distributors' margins whereas distributors could profit by selling products at higher profit margins, which forces the manufacturer to cut or optimize their costs (Haile, M., 2017).

## **2.6. Identified Literature Gap**

Even though the measures of organizational performance and supply chain management vary from organization to organization, they are essential for the effective management of any organization. Supply chain management practices are affected by the global operations, the real challenge for managers of this new enterprise environment is to develop suitable performance measures and

metrics to make the right decisions that would contribute to an improved supply chain practices, the competitiveness of the organization, and its operational performance. Some of the empirical studies only focus on upper-tier supply chain i.e. suppliers and some only focus on the lower-level supply chain i.e. customers (Kindie, S., 2017).

Some studies like focus on both suppliers and customers but the variables used as supply chain practices are varied depending on the organization selected for their study. However, it is the absence of complete agreements using the supply chain practice variable and its effect on the performance of the organization. Most of the literature survey shows and suggests future research on the selected topic which shows the antecedences and consequences of supply chain practice (Kindie, S., 2017).

## 2.7. Conceptual Framework

This conceptual framework was developed for this study. Some components of the framework were adopted from different studies and modified to be suitable for this study. Considering the various dimensions of supply chain management practices on organizational performance the framework encompasses four dimensions of supply chain management practices; which are Strategic supplier partnership, customer relationship, level of information and quality of information.

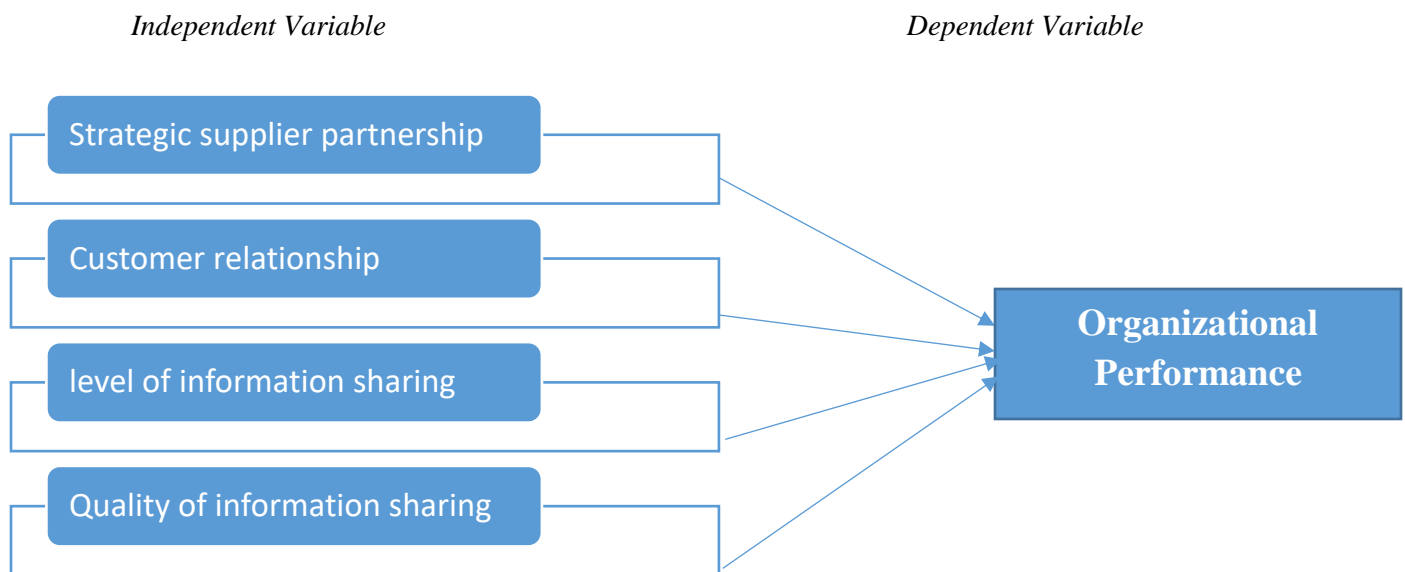


Figure 1: *Conceptual framework of the Research*

**Source:** (Ayalew, B., 2018, Haile, M., 2017 & Aboneh, H., 2017)

## **2.8. Research Hypothesis**

This research aims to determine the relationship between supply chain management and organizational performance. To assess the positive significance of supply chain management and organizational performance, these hypotheses are proposed.

Hypothesis 1. Strategic supplier partnership management has a significant impact on organizational performance.

Hypothesis 2. Customer relationship management has a significant impact on organizational performance.

Hypothesis 3. Level of information sharing has a significant impact on organizational performance.

Hypothesis 4. Quality of information sharing has a significant impact on organizational performance.

## CHAPTER THREE

### METHODOLOGY OF THE STUDY

The methodologies that were used in this study was defined in this section; the choice of specific research methodology and designs, study area and unit, data type and data source, data collection methods and instruments, sampling and sampling techniques, and data analysis techniques, along with appropriate rationale associated with each approach.

#### **3.1. Description of the Study Area**

Diageo is the world's largest premium beverage corporation with an impressive range of spirits, beer, and wine alcohol brands. Diageo entered the Ethiopian market with the acquisition in January 2012 of Meta Abo Brewery Share Company SC ('Meta Brewery').

With a volume share of approximately 15 percent, Meta Brewery is one of Ethiopia's largest beer firms. It manufactures and distributes its flagship national lager brands, Meta Classic, Meta Premium, and Malta Guinness, which is the source of its brewery near the Ethiopian capital of Addis Ababa. Leading non-alcoholic beverage with a market share of 82 percent.

The acquisition gives Diageo direct access to the beer market in Ethiopia and will complement the established premium spirits company of Diageo in the region. Diageo is currently selling its premium spirits products through third-party distributors in Ethiopia (MEHABAW, M., 2017).

The study area for this research was focused on the head office of Meta Abo brewery which is located at Jacros, Addis Ababa, Ethiopia.

#### **3.2. Research Approach**

Researchers mostly use the quantitative approach to collect, organize, and analyze the data to obtain findings; therefore it involves testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. The qualitative approach is one in which the instruments producing data from statistics are used.

In this study, the researcher used a quantitative approach to collect and analyze the finding. A research question was created for data collection to examine the effect of supply chain practice on organizational performance and then a theoretical model based on previous theories and principles was developed based on it. Close-ended Likert style questioners were used to gather information and it was summarized and analyzed to explain and reflect on the population.

### **3.3. Research Design**

The study investigated the SCM practices based on fundamental theories, principles, and philosophies of management that are supposed to be effective parameters just to assess the actual performance of the key business activities of the case company. Accordingly, the existing SCM practices of the case company and the challenges prohibiting its effectiveness were evaluated.

The researcher, therefore, implemented the descriptive type of research, which helps to use quantitative research for data analysis. Descriptive research design is preferred for a better description of the group of individuals over the set of variables. Also, correlation and regression were used. In this case, the quantitative research method was used to measure the effect of independent variables (SCM practices) on the dependent variable (Organizational Performance) by collecting quantitative data from Meta Abo Brewery S.C employees.

### **3.4. Unit of Analysis**

The research unit is the key individual being analyzed in the report. In this study, Meta Abo brewery is a unit analysis as it is going to be assessed the supply chain management practices related to the organization's performance. The company's staff which are close to the supply chain management was taken as a unit of analysis.

### **3.5. Population and Sampling Techniques**

The target population of the study was the employees of Meta Abo Brewery who have direct involvement in supply chain-related activities and the organizational performance of the organization.

The researcher was used the purposive, stratified, and simple random sampling technique. The purposive sampling technique was used to select the target population. A stratified sampling

technique was used to divide the entire target population into different sub-groups, or strata, and then randomly selects the final subjects proportionally from the different strata. Whereas, the simple random sampling technique was used to select the respondents from each stratum.

The target population for the study was classified into thirteen strata depending on the sectional division of the company. The departments considered as strata from which data were collected are; Brewing team, Packing team, Utility and engineering team, Procurement, Customer service, Governance, Financial controlling, Commercial finance, Supply finance, Order to Cash (OTC), Tax and PTP (Procure/Purchase-to-Pay), Seals and Marketing. Then the samples were selected from each stratum according to their proportion to the total population.

### **3.6. Sample Size Determination**

The total number of Meta Abo Brewery employees at Jacros branch is 350 out of this 300 employees were eligible to be considered as a target population because they have directly engaged in supply chain-related activities and the rest were excluded because they don't have direct involvement in SC related activities.

The sample size for this study is calculated by using the formula given by Taro Yamane (Aboneh, H., 2017 & Yamane T., 2016).

$$n = \frac{N}{1 + N(e)^2}$$

n = the sample size

N = the target population size

e = Margin of error acceptable or measure of precision is 0.05

$$n = \frac{300}{1 + 300(0.05)^2}$$
$$n = 171$$

Therefore; the total target population is **171**.

Table 1: Population and sample size determination

No.	Departments	Target Population size	Sample Size
1	Brewing team	20	11
2	Packing team	20	11
3	Procurement	10	6
4	Utility and engineering team	28	16
5	Customer service	20	11
6	Governance	3	2
7	Financial controlling	5	3
8	Commercial finance	2	1
9	Supply finance	3	2
10	OTC	17	10
11	Tax and PTP	5	3
12	Seals	164	93
13	Marketing	3	2
<b>Total</b>		<b>300</b>	<b>171</b>

### 3.7. Data Source and Type

The primary data were collected in the form of structured questionnaires which were distributed to employees of the company. The structured questionnaires were adopted from different similar studies and modified or customized to be suitable for this study and it has three parts (Ayalew, B., 2018, Aboneh, H., 2017 & Kindie, S., 2017). Part one contains questions about the respondent's demographic characteristics, part two contains questions about the four dimensions of SCM Practices (the independent variables) and the final part contains questions about Organizational Performance (the dependent variable).

A close-ended questionnaire was implemented to gather data from the survey respondents on a 5-point Likert scale. The data that was obtained through questionnaires were easy to interpret, allowing answers to be assessed and some variables to be analyzed quantitatively. Also, for both respondents and researchers, it is time-efficient. The questionnaire was designed in such a way that all relevant sections and details were included to be known to the respondents.



### **3.8. Data Analysis Technique**

Before analyzing the data, the quantitative data collected using a questionnaire was cross-checked for its completeness and consistency. Then, descriptive statistics, correlation, and multiple linear regression models were used to analyze the data. The analysis of the data was done using SPSS Version 20.

To analyze the data that was collected with the use of the questionnaires; the questionnaires have a five-point Likert-type response scale (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree). In addition, Analysis of data was done by using statistical tools like regression and correlation models. Descriptive analysis (tables, frequencies, and percentages, and also mean and standard deviation) was used to analyze the respondents' demographic data, such as educational qualification, position, experience within the organization and department.

### **3.9. Validity and Reliability**

A quantitative study is objective, measurable, and allows for a wide range of topics to be covered. Validity and reliability must be addressed in every study because the accuracy, trustworthiness and integrity of the research depend on it.

Validity is defined as the extent to which a concept is accurately measured in a quantitative study. A high level of validity improves the study's generalization (Heale, R., & Twycross, A., 2015). According to (Gliem, J. A., & Gliem, R. R., 2003), internal validity in relation to questionnaires refers to the ability of the questionnaire to measure what the researcher intends it to measure. To achieve this, questions in the questionnaire are emanated from the broad research questions tailored to meet research objectives.

Content validity, on the other hand, refers to the extent to which the measurement device, in this case, the measurement questions in the questionnaire, provides adequate coverage of the investigative questions. This is achieved by providing a five-point Likert scale for addressing a range of alternatives. Therefore, this study was addressed validity through the review of literature and adapting instruments used in previous researches.

The second measure of quality in a quantitative study is reliability or the accuracy of an instrument. It relates to the consistency of a measure. In other words, the extent to which a research instrument

consistently has the same results if it is used in the same situation on repeated occasions (Heale, R., & Twycross, A., 2015).

According to (Haile, M., 2017), reliability analysis is concerned with the internal consistency of the research instrument. In this study, the internal consistency/reliabilities of SCM practices, and organizational performance were assessed with Cronbach's Alpha.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale. George and Mallery (2003) cited in (Gliem, J. A., & Gliem, R. R., 2003), provide the following rules of thumb: “ $\alpha > .9$  – Excellent,  $\alpha > .8$  – Good,  $\alpha > .7$  – Acceptable,  $\alpha > .6$  – Questionable,  $\alpha > .5$  – Poor, and  $\alpha < .5$  – Unacceptable”. Accordingly, the overall Cronbach's alpha coefficient found for the current study was 0.842 which indicates good internal consistency of the items in the scale. Generally, to maximize reliability and validity, individual questions are carefully designed.

### **3.10. Ethical Considerations**

The study was conducted on human participants and an investigation on SCM practices in Meta Abo Brewery, Addis Ababa, Ethiopia, and certain issues were addressed. The consideration of these issues is necessary for ensuring the privacy as well as the security of the participants. These issues were identified in advance to prevent future problems that arose during the research process. Among the significant issues that were considered includes consent, confidentiality, and data protection. The peoples who are going to participate in the research was given sufficient time to respond to the questions posed to them to avoid errors and inaccuracies in their answers.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

#### 4.1 Response Rate

This chapter presents the analysis and interpretation of data. The collected data analyzed using descriptive, correlation, and multiple linear regression analyses. First, the demographic profile of participants and other research questions were presented using descriptive statistics. Data were presented in tables, frequency distribution, mean and standard deviation values were computed. Then correlation and multiple linear regression analyses of the questionnaire were presented using inferential statistics. This study was conducted by distributing 171 questionnaires to the employees of Meta Abo brewery. All 171(100%) questionnaires were filled and returned and used for analysis and interpretation.

#### 4.2. Socio-demographic profile of participants

In this section, the study participant's Sex, age, educational qualification, employee level, total years of experience, and work department is presented.

*Table 2: Socio-demographic status of the respondents*

Demographic Characteristics		Frequency	Percent
Gender	Male	93	57.8
	Female	68	42.2
Age	Under 25	51	29.8
	26 to 35 years old	99	57.9
	above 36 to 45 years old	21	12.3
Education Attainment	Certificate	28	16.4
	Bachelor's degree	123	71.9
	Post graduate	20	11.7
How long have you been working in this company	Less than 3 years	70	40.9
	3 to 5 years	67	39.2
	Above 6 to 10 years	33	19.3

As shown in the above table, male participants during data collection were 57.8% of the total population. On the other hand, female participants were 42.2%. This shows that the number of male participants is higher than female participants.

During the data collection period, the majority of the study participants (57.9%) were in the age group of 26 to 35. On the other hand, 29.8% of the participants were under the age of 25. A small amount of the participants (12.3%) was in the age range of 36 to 45. It was also found that the majority (71.9%) of the total population have Bachelor’s degrees during the data collection period. On the other hand, the percentage of participants, who have certificates and post-graduate degrees were 16.4% and 11.7% of the total population.

In addition, the majority (40.9%) of the study population has less than three years of experience. Similarly, 39.2% of the study population has three to five years of experience. Those participants, with six to ten years of experience, constitute 19.3% of the total population. A very small amount of the participants (0.6%) had more than twenty years of work experience.

Participants’ department and employee level was also another issue that was assessed by the researcher. The finding is presented below.

*Table 3: Employment Level*

	Employment Level	Frequency	Percent
What functions best describe your responsibilities?	Brewing/ Packing team	22	12.8
	Procurement/OTC/PTP	19	11.1
	Utility and engineering team	16	9.3
	Customer service	11	6.4
	Governance	2	1.1
	Financial	6	3.5
	Seals/Marketing	95	55.5
	Staff	155	90.6
	Manager	12	7.0
	Supervisor	4	2.3

As shown in the table almost all (90.6%) of the respondents were non-managerial staff of the organization. Those participants, who work at the managerial level were 7% of the total participants. Very few (2.3%) of the participants were supervisors. The majority (55.5%) of the study population during the data collection period were workers from the Sales/Marketing department. On the other side, employees from the customer service department were 6.4% of the total population. Workers from Procurement/OTC/PTC department were 11.1%. The other department with a minor difference with the procurement/OTC/PTC departments were the brewing and packing departments (12.8%). Finally, only a few participants work in the financial (3.5%) and governance (1.1%) departments.

### 4.3. Supply Chain Management Practices of Meta Abo Brewery

This sub-section tries to explore the organization's Supply Chain Management Practices. The findings are presented in the following table.

*Table 4: Supplier Relationship Management*

<b>Description</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>	<b>S.D</b>
We consider quality as our number one criterion in selecting suppliers	5(2.9%)	5(2.9%)	1(0.6%)	11(6.4%)	149(86.6%)	3.7200	.85840
We regularly solve problems jointly with our suppliers	0(0.0%)	0(0.0%)	8(4.7%)	35(20.3%)	128(74.9%)	3.9700	.946210
We have helped our suppliers to improve their product quality	0(0.0%)	0(0.0%)	6(3.5%)	41(23.8%)	124(72.1%)	4.1200	.93330
We include our key suppliers in our planning and goal-setting activities	0(0.0%)	0(0.0%)	3(1.7%)	45(26.2%)	123(71.9%)	4.3000	.97872
Our company has formal performance goals for SRM	0(0.0%)	0(0.0%)	23(13.4%)	148(88%)	171(96.4%)	3.8200	.91191

Our company regularly measures our supplier's contribution to our profitability	0(0.0%)	0(0.0%)	6(3.5%)	40(23.3%)	125(72.7%)	3.8000	.946210
Our suppliers understand how their decisions/ actions affect the SRM process	0(0.0%)	0(0.0%)	7(4.1%)	72(42.9%)	92(53.5%)	3.4500	.94451
SRM process requirements are determined by cross-functional team	0(0.0%)	0(0.0%)	4(2.3%)	64(37.2%)	103(59.9%)	3.4000	.92130

As shown in the above table, the majority (86.6%) of the study participants strongly agreed that their organization considers quality as their number one criterion in selecting suppliers. Similarly, those participants, who agreed with the statement were 6.4% of the total population. On the other hand, participants, who disagreed and strongly disagreed were 2.9% each. It was also found out that participants with neutral feelings were 0.6%.

The researcher also tried to evaluate whether the organization regularly solves the problem jointly with its suppliers. It was found that the majority (74.9%) of the study population strongly agreed that the organization solves problems jointly with their suppliers. Similarly, 20.3% of the study participants agreed with the statement. On the other hand, those participants, who have a neutral attitude were 4.7% of the total population. In this finding, neither of the study participants disagreed or strongly disagreed with the organizational joint problem solving with their suppliers.

It was also found out that the majority (72.1%) of the study participants strongly agreed with Meta Abo's involvement in suggesting and helping their supplier to improve the product's quality. Likewise, 23.8% of the participants agreed with the statement that "We have helped our suppliers to improve their product quality". On the contrary, 3.5% of the population has neutral feelings about the statement quoted above. In this regard, there was no disagreement or strong disagreement among the participants.

Based on the above data, it can be said that the majority (71.9%) of participants strongly agreed that Meta Abo brewery involves its suppliers in planning and goal setting. Similarly, 26.2% of the total participants agreed with the statement. Only 1.7% of them neither agreed nor disagreed. Again, neither of the respondents disagreed with the statement that Meta Abo brewery involves their suppliers in their planning and goal setting activity. The above table also shows that (96.4%) and (88%) of the study participants strongly agreed and agreed that the company has formal performance goals for supplier relationship management respectively. No respondent strongly disagreed or disagreed with the statement.

In addition, the above table shows that the majority (72.7%) of the study participants strongly agreed that their company regularly measures their supplier's contribution to their profitability. On the other hand, 23.3% of the participants agreed with the statement. Those participants, who have a neutral attitude were 3.5% of the total population. No respondent disagreed or strongly disagreed with the statement that says "our company regularly measures our supplier's contribution to our profitability." Participants were asked whether Meta Abo's suppliers understand how their decisions/actions affect the SRM process. Accordingly, 53.5% and 42.9% of the total respondents strongly agreed. Participants with neutral feelings accounted for 4.1% of the population.

In addition, the majority (59.9%) of the respondents strongly agreed that SRM process requirements are determined by a cross-functional team. Similarly, those participants, who agreed with the statement account for 37.2% of the total population. Only a few (2.3%) respondents had a neutral feeling. It was also reported that more than half of the participants (59.6%) strongly agreed with the statement that employees at the organization understand how their decisions/actions affect the SRM process. Similarly, 36.3% of them agreed with the statement. Those participants who have a neutral feeling with the statement were 4.1%.

#### 4.4. Customer Relationship Management

This sub-section tries to explore the organization’s Customer Relationship Management Practices.

The findings are presented in the following table.

*Table 5: Customer Relationship Management*

<b>Description</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>	<b>S.D</b>
Our company has developed CRM process team	0(0.0%)	0(0.0%)	0(0.0%)	71(9.9%)	154(89.5%)	4.49	0.581
Our company utilizes cross-functional input within the CRM process	0(0.0%)	0(0.0%)	0(0.0%)	59(34.3%)	112(65.1%)	4.22	0.655
Our firm ensures our CRM process is aligned with our corporate strategy	0(0.0%)	0(0.0%)	6(3/5%)	80(46.5%)	85(49.4%)	4.04	0.740
Our company develops metrics that are related to the customer’s impact on our firm’s profitability	0(0.0%)	0(0.0%)	13(7.6%)	91(52.9%)	67(39%)	3.94	0.767
Our company develops metrics that are related to our firm’s impact on the customer’s profitability	0(0.0%)	0(0.0%)	14(8.1%)	92(53.5%)	65(37.8%)	3.86	0.810
Our firm’s CRM metrics are tied to our firm’s financial performance	0(0.0%)	0(0.0%)	9(5.2%)	70(40.7%)	92(53.8%)	4.17	0.712
Our firm measures customers’ profitability over time	0(0.0%)	0(0.0%)	5(2.9%)	55(32.0%)	111(64.5%)	4.00	0.692
We frequently interact with customers to set reliability, responsiveness, and other standards for us	0(0.0%)	0(0.0%)	0(0.0%)	31(18%)	140(81.4%)	3.82	0.732



We frequently measure and evaluate customers' satisfaction	0(0.0%)	0(0.0%)	0(0.0%)	52(30.2%)	119(69.6%)	4.00	0.856
We periodically evaluate the importance of our relationship with our customers	0(0.0%)	0(0.0%)	1(0.6%)	54(31.4%)	116(67.4%)	4.02	0.881

The researchers asked whether the Meta Abo brewery has developed a customer relationship management process team or not.

Accordingly, it was found out that almost all (89.5%) of the respondents strongly agreed that the company has developed a CRM process team. Similarly, 9.9% of the participants agreed with the statement. No respondent disagreed or strongly disagreed with the statement. The above finding shows that the majority (65.1%) of the study population strongly agree that Meta Abo brewery utilizes cross-functional input within the CRM process. Similarly, those participants who agreed with the statement were 34.3% of the total population.

The researchers asked the respondents whether the organization ensures their CRM process is aligned with their corporate strategy or not. It was found out that those participants who strongly agreed and agreed accounted for 49.4% and 46.5% respectively. Those participants with neutral feelings were 3.5% of the total population. No participant disagrees or strongly disagrees with the statement.

As shown in the above table, it was also found that slightly more than half (52.9%) of the study participants agreed that Meta Abo brewery develops metrics that are related to the customer's impact on their firm's profitability. On the other hand, 39% of the participants strongly agreed with the statement. Those with neutral attitudes constitute accounts for 7.6% of the total population. In addition, the majority (53.5% and 37.8%) of the study participants strongly agreed and agreed that the organization develops metrics that are related to our firm's impact on customer profitability. Those participants with neutral attitudes were 8.1% of the total population. Besides, it was reported that slightly more than half of the participants (53.8%) strongly agreed with the statement that says "Our firm's CRM metrics are tied to our firm's financial performance." On the other hand, those who agreed and with neutral feelings were 40.7% and 5.2% respectively.

One of the questions asked to measure the organization's customer relation was the organization's measures for customers' profitability over time. Accordingly, the majority (64.5%) of the study participants strongly agreed and 32% agreed with the statement that the organization's customer relation was the organization's measures for customers' profitability over time. A small amount (2.9%) of the participants has neutral feelings. The above table also shows that the majority (69.9%) of the total population strongly agreed and the rest 30.2% agreed that the organization frequently measure and evaluate customer's satisfaction. With this question, no participant disagreed and strongly disagreed with the statement.

Furthermore, the majority of the study participants (81.4%) strongly agreed with the statement that the organization frequently interacts with customers to set reliability, responsiveness, and other standards. The rest 18% of them agreed. No Participant disagreed or strongly disagreed with the statement. In addition, it was also shown that half of the respondents (50.9%) agreed that the organization frequently determine future customer expectation. On the other hand, little less than half of the participants (42.7%) strongly agreed with the statement. Only a few (6.4%) of the participants neither agree nor disagree. No participant disagreed or strongly disagree with the statement.

It was found out that the majority (59.6%) of the respondents agreed that the organization facilitates customers' ability to seek assistance from the organization. The rest 23.4% and 17% strongly agreed and have a neutral attitude towards the question. It was reported that more than half (67.4) of the participants reported that they strongly agreed that the organization periodically evaluates the importance of their relationship with their customers. Similarly, those participants who agreed with the above statement were 31.4% of the total population. Only one participant (0.6%) has a neutral feeling about the statement.

#### 4.5. Level of Information Sharing

This Sub-section presents the information sharing habit of the organization.

*Table 6: Level of Information Sharing*

Description	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
We inform trading partners in advance of changing needs	0(0.0%)	0(0.0%)	5(2.9%)	71(41.3%)	95(55.2%)	3.98	0.79
Our trading partners keep us fully informed about issues that affect our business	0(0.0%)	0(0.0%)	12(7.0%)	98(57.0%)	61(35.5%)	4.21	0.76
Our trading partner share business knowledge of core business processes with us	0(0.0%)	0(0.0%)	19(11%)	90(52.3%)	62(36.0%)	4.02	0.92
We and our trading partners exchange information that helps establishment of business planning	0(0.0%)	0(0.0%)	12(7%)	58(33.7%)	101(58.7%)	4.00	0.84
We and our trading partners keep each other informed about event or changes that may affect the other partners	0(0.0%)	0(0.0%)	2(1.2%)	62(36.3%)	177(62.6%)	4.11	0.81

The researcher asked whether the organization informs trading partners in advance of changing needs or not, and it was found out that the majority of the study participants strongly agree (55.2%) that the organization informs in advance for trading companies. Similarly, 41.3% of the participants agreed with the statement. Those, participants with neutral attitudes were 2.9%.

As shown in the above table, the majority (57%) of the respondents agreed that the organization's trading partners keep the organization fully informed about issues that affect their business. Similarly, those participants, who strongly agree with the statement constitute 35.5%. Participants with a neutral attitude were 7% of the total population.

The researcher also asked the participants whether the trading partner shares business knowledge of core business processes with the organization or not. It was found out that the majority (52.3%) and 36% of the study participants agreed and strongly agreed that the trading partner shares business knowledge of core business processes with the organization respectively. Participants who neither agree nor disagree were 11% of the total population.

As shown in the above table, the Majority (58.7%) of the population reported that they strongly agree with the organization’s trend of information sharing with trading partners for the sake of the establishment of business planning. Similarly, 33.7% of the study participants also agreed with the statement. In this aspect, those participants who have a neutral feeling are 7% of the total population. To assess the information-sharing culture of the organization, the researcher asked if the organization and their trading partners keep each other informed about events or changes that may affect the other partners. It was found out that 62.6% and 36.3% of the study participants strongly agreed and agreed that the organization and their trading partners keep each other informed about events or changes that may affect the other partners. Those partners who have a neutral feeling are 1.2% of the total population.

#### 4.6. Quality of Information Sharing

This sub-section tries to explore the organization’s Quality of Information Sharing Practices. The findings are presented in the following table.

*Table 7: Quality of Information Sharing*

<b>Description</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>	<b>S.D</b>
Information exchange between our trading partners and our company is timely	0(0.0%)	0(0.0%)	1(0.6%)	77(44.8%)	93(54.1%)	4.05	0.79
Information exchange between our trading partners and our company is accurate	0(0.0%)	0(0.0%)	2 (1.2%)	72(41.9%)	99 (57.6%)	4.22	0.73
Information exchange between our trading partners and our company is complete	0(0.0%)	0(0.0%)	2 (1.2%)	64(37.2%)	105 (61%)	4.01	0.82

Information exchange between our trading partners and our company is adequate	0(0.0%)	0(0.0%)	2(1.2%)	63(36.6%)	106(61.6%)	4.01	0.82
Information exchange between our trading partners and our company is reliable	0(0.0%)	0(0.0%)	1(0.6%)	57(33.1%)	113(65.7%)	4.25	0.71

In the above table, it is shown that the majority (54.1%) of the population strongly agreed with the organization’s and other trading companies’ prompt information sharing. Similar to this 44.8% of the population agreed with the statement. Those participants with neutral attitudes were 6% of the population. Other than the timely information sharing, the researcher also asked If the organization shares accurate information with trading companies or not. Participants, who strongly agreed with the organization’s accurate information sharing with trading companies were 57.6% of the total population. It was also found out that participants who agreed with the statement were 42.9% of the total population.

As shown in the above table, 61% and 37.2% of the population strongly agreed and agreed that the organization and other trading companies share information in a complete manner. On the other hand, 1.2% of the participants neither agree nor disagree with the statement. It was found out that, the majority (61.6%) of the total population strongly agreed that there is adequate information sharing between the organization and other trading companies. It was also found out that 36.6% of the population agreed with the statement. Those participants who have a neutral feeling are 1.2% of the total population.

It was reported that 65.7% of the respondents strongly agreed that the information shared between Meta Abo brewery and other trading companies is reliable. Similarly, 33.1% of people agreed about the statement. Only one person (0.6%) neither agree nor disagree with the statement. On the contrary, no individual disagreed or strongly disagreed with the statement.

## 4.7. Organizational Performance

One of the researcher's aims was to assess Meta Abo brewery's organizational performance. The finding is presented in the following table.

*Table 8: Organizational Performance*

<b>Description</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>	<b>S.D</b>
Growth of sales is significantly increasing	(0.0%)	(0.0%)	2 (1.2%)	116(67.4%)	53(30.8%)	4.24	0.642
Our profit margin on sales is significantly increasing	(0.0%)	(0.0%)	7(4.1%)	104(60.5%)	60(35.1%)	4.03	0.729
Growth of return on investment is significantly increasing	(0.0%)	(0.0%)	12(7%)	94(54.7%)	65(37.8%)	4.11	0.739
Our market share is significantly increasing	(0.0%)	(0.0%)	20(11.6%)	91(52.9%)	60(34.9%)	3.99	0.875
Our customers satisfaction is significantly increasing	(0.0%)	(0.0%)	(0.0%)	59(34.3%)	112(65.5%)	4.40	0.612
Our supplier's satisfaction is significantly increasing	(0.0%)	(0.0%)	1(0.6%)	75(43.6%)	95(55.2%)	4.33	0.713
Our employee's satisfaction is significantly increasing	(0.0%)	(0.0%)	(0.0%)	28(16.3%)	143(83.1%)	4.39	0.603

Participants, who agreed with significant sales growth were 67.4% of the total population. On the other hand, those participants with agreement were 30.8%. In this regard, 1.2% of them have neutral feelings about the statement. No individual disagreed or strongly disagreed with the statement. The respondents were asked if the organization's profit margin on sales is significantly increasing or not. From the total participants, 60.5% of them agreed and 35.1% strongly agreed with the organization's increasing sales profit margin. Seven people (4.1%) neither agree nor disagree with the statement. No individual disagreed or strongly disagreed.

It was found out that participants who agree with the growth of return on investment is significantly increasing were 54.7% of the total participants. Those, who strongly agree and have a neutral attitude constitute 37.8% and 7% of the population. It was also found out that 52.9% of the study population agreed and 34.9% of them strongly agreed with Meta Abo's increasing market share. On the other side, 11.6% of the population has a neutral attitude towards the market share increase.

As shown above, 65.5% and 34.3% of the respondents strongly agreed and agreed that the organization's supplier's satisfaction is increasing. Similar to supplier's satisfaction, customers' satisfaction was one of the questions asked to assess the organizational performance. It was found out that 43.6% of the population agreed and 55.2% of them strongly agreed with the statement that customer satisfaction is showing a significant increase. Only 0.6% have neutral feelings. In addition, the above data also shows that 83.1% of the population strongly agreed that there is significant growth in employee satisfaction. Participants, who supported the statement by agreeing were 16.3%. The complete agreement can be the evidence for the strong employees' satisfaction.

#### 4.8. Correlation Analysis

Correlation analysis is used to describing the degree of relationship between two variables. Its values range from -1 to 1. The values closer to absolute value 1 implies a strong relationship between the variables. Whereas the values closer to 0 indicate that there is a little or no linear relationship. As described by (Haile, M., 2017), the correlation is a commonly used measure of the size of an effect: values of  $\pm 0.1$  represent a small effect,  $\pm 0.3$  is a medium effect and  $\pm 0.5$  is a large effect.

Table 9: Pearson correlation Test

	Supplier Relationship Management	Customer Relationship Management	Level of Information Sharing	Quality of Information Sharing
Organizational Performance	.351*	.397	.402**	.375
Sig(2-tailed)	0.033	0.042	0.001	0.026

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

\* . Correlation is significant at the 0.05 level (2-tailed).

Since the data has a normal distribution, the researcher used Pearson correlation than spearman correlation. Accordingly, it was found out that the variable relationship among the independent

(Supplier Relationship Management, Customer Relationship Management, Level of Information Sharing, Quality of Information Sharing) and dependent (Organizational Performance) was found to be positive and significant. According to the above table, at 99 percent confidence level ( $p < 0.01$ ), the highest correlation was shown on Level of Information Sharing ( $r = 0.402$ ), and followed by at 95 percent confidence level ( $p < 0.05$ ), Supplier Relationship Management ( $r = 0.351$ ).

As it is indicated in the above table, there is a positive and significant correlation between Supplier Relationship Management and Organizational Performance. In other words, Supplier Relationship Management and Organizational Performance have a relationship ( $r = 0.351$ ).

Pearson correlation results shown in the above table indicates, there is a positive and significant correlation between Customer Relationship Management and Organizational Performance. In other words, Customer Relationship Management and Organizational Performance have a relationship ( $r = 0.397$ ).

The table also indicates, there is a positive and significant correlation between the Level of Information Sharing and Organizational Performance. In other words, the Level of Information Sharing and Organizational Performance have a relationship ( $r = 0.402$ ).

The final result of the table indicates, there is a positive and significant correlation between Quality of Information Sharing and Organizational Performance. In other words between Quality of Information Sharing and Organizational Performance have a relationship ( $r = 0.375$ ).

In general, based on the above data the positive and significant relationship of the variables shows that an increase in Supplier Relationship Management, Customer Relationship Management, Level of Information Sharing, and Quality of Information Sharing would bring improvement to the Organizational Performance.

#### **4.9. Multiple regression analysis**

Regression analysis is used to determine the strength and character of the relationship between the independent variable i.e. Supply Chain Management Practices with their impact on Organizational Performance (dependent variable).



#### 4.9.1. Tests for the Multiple Linear Regression Model Assumptions

To make the data ready for analysis and to get reliable results from the research, the model stated previously was tested for five Multiple Linear Regression model assumptions. Among them, the major ones are tests for constant variables, heteroscedasticity, autocorrelation, and multicollinearity.

Accordingly, the following sub-section presents the tests made.

##### **Assumption one: the errors have zero mean ( $E(\varepsilon) = 0$ ) or constant variable**

**The first assumption** states that the assumptions' average value should be zero. Brooks, C., (2019), reported that this premise will never be broken if the regression equation has a constant term. As a result, since the constant term ( $\beta_0$ ) was included in the regression equation from the regression result table, this assumption holds true for the model.

##### **Assumption two: homoscedasticity (variance of the errors is constant**

In statistics, a sequence of random variables is homoscedastic if all its random variables have the same finite variance. This is also known as homogeneity of variance. The complementary notion is called heteroscedasticity. In order to taste heteroscedasticity's absence, their researcher used the White test. It is known that if the p-value exceeds 0.05, heteroscedasticity would be absent. In the current study, the p-value was greater than 0.05, this result supports that the absence of heteroscedasticity (Achen, C. H., & Shively, W. P., 1995).

*Table 10: Heteroscedasticity Test: White test*

F-statistic	0.614965	Prob. F (32,11)	0.6075
Obs*R-squared	7.813325	Prob. Chi-Square (32)	0.79143
Scaled explained SS	4.972852	Prob. Chi-Square (32)	0.9066

##### **Assumption three: covariance between the error terms over time is zero**

According to Brooks C., (2019), this assumption states that the type of data, the covariance between the error terms over time or cross-sectional is zero. To put it another way, the errors should be unrelated to one another. The presence of Autocorrelation or serial correlation is indicated if the errors are not uncorrelated with one another.

If the p-value is greater than 0.05 it is a supporter of absence of autocorrelation. In the current study, the p-value was 0.05801, and it indicates that autocorrelation is absent.

*Table 11: Breusch-Godfrey Serial Correlation LM Test*

F-statistic	1.721798	Prob. F (37,21)	0.0467
Obs*R-squared	36.18675	Prob. Chi-Square (31)	0.05801

**Assumption four: Multicollinearity Test**

In statistics, multicollinearity is a phenomenon in which one predictor variable in a multiple regression model can be linearly predicted from the others with a substantial degree of accuracy. According to different researchers, the multicollinearity problem happens when the correlation coefficient is greater than 0.75. Others reported that the correlation coefficient below 0.9 may not cause serious multicollinearity problems. In any case, results other than this show that there is no consistent consensus on the degree of correlation that causes multicollinearity (O'brien, R. M., 2007).

*Table 12: Correlation Matrix between Explanatory Variables*

	SRM	CRM	LIS	QIS
SRM	0.01322	0.247622	0.137764	0.72713
CRM	0.23145	0. 320974	0.357932	0.198564
LIS	0.34097	0.398898	0.133223	0.213611
QIS	0.130864	0.213445	0.109867	0.114560

Accordingly, the researcher used Matrix for all independent variables (Supplier Relationship Management, Customer Relationship Management, Level of Information Sharing, and Quality of Information Sharing). It was found out that 0.72713 was the highest. According to the above definition, there is no correlation above 0.75 and below 0.9, and it can be concluded that the study is free from multicollinearity error.

Table 13: Regression analysis results

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.355	.541		3.215	.001
	Supplier Relationship Management	.0145	.105	.198	1.277	.001
	Customer Relationship Management	.136	.101	.154	1.287	.001
	Level of Information Sharing	.122	.016	.288	1.786	.001
	Quality of Information Sharing	.099	.110	.192	1.455	.001
a. Dependent Variable: Organizational Performance						

**Ha1: Supplier Relationship Management has a significant influence on organizational performance.**

According to the data presented above, it was found out that there is a positive relationship between Meta Abo’s Supplier Relationship Management and Organization Performance. The  $\beta$  value was .0145 and the hypothesis that states “Supplier Relationship Management has a significant influence on Organizational Performance” is accepted.

**Ha2: Customer Relationship Management has a significant influence on organizational performance**

According to the data presented above, it was found out that there is a positive relationship between Meta Abo’s Customer Relationship Management and Organization Performance. The  $\beta$  value was .136 and the hypothesis that states “Customer Relationship Management has a significant influence on Organizational Performance” is accepted.

**Ha3: Level of Information Sharing has a significant influence on organizational performance**

According to the data presented above, it was found out that there is a positive relationship between Meta Abo’s Level of Information Sharing and Organization Performance. The  $\beta$  value was .122 and the hypothesis that states “Level of Information Sharing has a significant influence on Organizational Performance” is accepted.

#### **Ha4: Quality of Information Sharing has a significant influence on Organizational Performance.**

According to the data presented above, it was found out that there is a positive relationship between Meta Abo's Quality of Information Sharing and Organization Performance. The  $\beta$  value was .099 and the hypothesis that states "Quality of Information Sharing has a significant influence on Organizational Performance" is accepted.

In general, based on the above data, it was concluded that all the independent variables have a significant relationship with the dependent one. Thus, all the hypotheses that support the positive and significant relationship were accepted. Therefore, the researcher accepts all the null hypotheses, which claims Supplier Relationship Management, Customer Relationship Management, Level and Quality of Information Sharing System's influence on Organizational Performance.

Additionally, the researcher found out that Meta Abo brewery has a good Supplier Relationship Management, Customer Relationship Management, Level and Quality of Information Sharing System. It was also found that the organization has good Organizational Performance. As a result, having good all the required criteria (Supplier Relationship Management, Customer Relationship Management, Level and Quality of Information Sharing System) is the cause for good organizational performance.

#### **4.10. Discussion of the Results**

The objective of this study is to investigate the effect of Supply Chain Management Practices on Organizational Performance in Diageo- Meta Abo Brewery Ethiopia. This research is related to the elements of SCMP (Supplier Relationship Management, Customer Relationship Management, Level of Information Sharing, and Quality of Information Sharing) towards Organizational Performance in Diageo- Meta Abo Brewery. The result of descriptive analysis implies that the company is implementing supply chain management practices. The inferential analysis results of this study support that all the independent variables (SCMP) have a significant correlation with the dependent variable (Organizational Performance) when calculated using Pearson correlation coefficients.

The study result indicates that there is a positive and significant relationship between SRM practices and Organizational Performance. This means there is a good relationship between SRM practices and Organizational Performance. In another word, if the organization's SRM increasing the performance will also increasing. The finding of this study is consistent with the finding of Kindie, S., 2017), that Supplier Relationship Management and Organizational Performance are significantly and positively related. This shows that there is a strong agreement among the participants with the organization's consideration of quality as their number one criterion in selecting suppliers also organization highly involve in helping suppliers to correct their product quality when needed. The finding of this study contradicts the finding of (Ayalew, B., 2018 & Aboneh, H., 2017) that Supplier Relationship Management influences Organizational Performance insignificantly.

The study result indicates that there is a positive and significant relationship between CRM practices and Organizational Performance. This means there is a good relationship between CRM practices and Organizational Performance. In another word, if the organization's CRM increasing the performance will also increasing. This shows that the majority of the organization has developed a Customer Relationship Management process team. That means the organization utilizes cross-functional input within the CRM process. This shows that the organization's customer relation was the organization's measure for customers' profitability over time. The finding of this study is consistent with the finding of (Ayalew, B., 2018 & Aboneh, H., 2017) that Customer Relationship influence firm performance at 0.01 and 0.05 significance level respectively.

The study result indicates that there is a positive and significant relationship between LIS practices and Organizational Performance. This means there is a good relationship between LIS practices and Organizational Performance. In another word, if the organization's LIS increasing the performance will also increasing. The finding of this study is consistent with the finding of Kindie, S., 2017 & Ayalew, B., 2018) that the relationship between the Level of Information Sharing and Organizational Performance is positive and significant.

This shows that the organization and their trading companies exchange information that helps the establishment of business planning and also strictly looks for business knowledge from different trading companies. This helps the organization in keeping a good relationship with trading

companies. By doing this they might avoid the fear of losing customers. The finding of this study is opposed to the finding of (Aboneh, H., 2017) that level of information sharing has no significant correlation with organizational performance.

The study result indicates that there is a positive and significant relationship between QIS practices and Organizational Performance. This means there is a good relationship between QIS practices and Organizational Performance. In another word, if the organization's QIS increasing the performance will also increasing. The finding of this study is consistent with the finding of (Aboneh, H., 2017, Ayalew, B., 2018 & Kindie, S., 2017). Quality of Information Sharing and Organizational Performance have a positive relationship. This shows that Meta Abo brewery has accurate, timely, complete, adequate, and reliable information exchange with the suppliers. This will help the organization to keep good partnerships with their trading companies.

The study result indicates that there is a positive and significant relationship between SCM practices and Organizational Performance. This means there is a good relationship between SCM practices and Organizational Performance. In another word, if the organization's SCM increasing the performance will also increasing. The finding of this study is similar to the finding of (Ayalew, B., 2018 & Kindie, S., 2017). Supply Chain Management Practices and Organizational Performance have a positive relationship. This shows that there are noticeable and significant sales/market share, profit margin, ROI, supplier's, customer's and employee's satisfaction growth/increment. Due to the organization's good Supply Chain Management, Customer Relation, and Information dissemination culture.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

#### **5.1. Summary of Major Findings**

- ❖ The descriptive analysis shows that the majority of the respondents were male (57.8%) and the rest 42.2% were female. Most (57.9%) of the respondents during data collection were under 26 to 35 years old. 71.9% of them have bachelor's degrees. Regarding experience, the majority (40.9%) of them have less than three years of experience.
- ❖ The correlation analysis shows that there is a positive and significant relationship between all the independent and dependent variables, which shows that an increase in Supplier Relationship Management, Customer Relationship Management, Level of Information Sharing, and Quality of Information Sharing would bring improvement to the Organizational Performance.
- ❖ The regression analysis of the study shows that all the constructs of Supply Chain Management Practice positively and significantly influence organizational performance. Hence, all the hypotheses that support the positive and significant relationship were accepted. That means, the researcher accepts all the null hypotheses, which claims Supplier Relationship Management, Customer Relationship Management, Level and Quality of Information Sharing System's influence on Organizational Performance.
- ❖ Due to the organization's strong Supply Chain Management practice, Customer Relations, and Information Sharing System, its performance was found to be high. The noticeable and significant increase in sales, profit margin, investment return, market share, supplier's satisfaction, customer satisfaction, and employee satisfaction can be evidence for this.

#### **5.2. Conclusions**

The current thesis was written to investigate the effect of Supply Chain Management Practices on Organizational Performance in Diageo- Meta Abo Brewery Ethiopia. To investigate these issues a valid, and reliable instrument for assessing SCM practices was developed. The instrument's validity and reliability were tested through the review of the literature and adapting instruments

used in previous researches and by using the values of Cronbach's alpha reliability coefficient ( $>0.7$ ) is acceptable respectively. The overall Cronbach's alpha coefficient in this study was 0.842 which indicates good internal consistency of the items in the scale. Based on the results of the study and the summary of findings the following conclusions were given.

Based on the study result, we can conclude that Strategic Supplier Partnership and the Organizational Performance of Meta Abo Brewery are positively related. In addition, Strategic Supplier Partnership has a statistically significant effect on Organizational Performance.

According to the results of this study, it can be concluded that Customer Relationship Management and the Organizational Performance of Meta Abo Brewery are positively related. In addition, Customer Relationship Management has a statistically significant effect on Organizational Performance.

According to the results of this study, it can be concluded that the Level of Information Sharing and the Organizational Performance of Meta Abo Brewery are positively related. In addition, the Level of Information Sharing has a statistically significant effect on Organizational Performance.

Based on the study result, we can conclude that the Quality of Information Sharing and the Organizational Performance of Meta Abo Brewery are positively related. In addition, the Quality of Information Sharing has a statistically significant effect on Organizational Performance.

Generally, the study found out that all the SCMP have a significant and positive relationship with Organizational Performance. Therefore, all the hypothesis that supports the positive and significant relationship were accepted.

### **5.3. Recommendations**

The findings of this research can be essential evidence for managers who take charge of supply chain management practices. Based on the findings and conclusions, the following possible recommendations are suggested for assuring Supply chain management practices to Improve Organizational Performance.

From the study, it was found out that Meta Abo brewery has well established Strategic Supplier Partnership had been practicing. The organization considers quality as its number one criterion in



selecting suppliers, solve problems jointly with its suppliers, helped its suppliers to improve their product quality. The study, therefore, recommended that the case company should create a better understanding of the employees how the supplier's decisions/actions affect the SRM process, and also how the SRM process requirements are determined by the cross-functional team.

From the study, it was found out that Meta Abo brewery has developed Customer Relationship Management process team. But the process had been moderately exploited. The study recommended that the case company should ensure that its CRM process is aligned with its corporate strategy and also the company should develop metrics that are related to the customer's impact on the firm's profitability and the firm's impact on the customer's profitability vice versa.

From the study, it was established that the Level of Information Sharing had been exploited moderately to improve organizational performance. The study, therefore, recommended that the case company should importantly improve its relationship with the trading partners. The information flow between the company and the trading partners about issues that affect the business and also knowledge of core business processes should be continuous and full. Because this could help the case company to solve the issues and minimize information uncertainty.

From the study, it was found out that Meta Abo brewery has well-established Quality of Information Sharing. Therefore, the study recommended that the case company should continue the good information sharing practice. Besides the information sharing, revealed in the study that the information is accurate, timely, adequate, complete, and reliable.

Generally, the case company should give more attention to SCM practices for more improvement of their Organizational Performance.

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## **Appendix I- Questionnaire**

**St. Mary's University**  
**School of Graduate Studies, MBA Program**

### **Questionnaire**

**Dear Participants;**

The purpose of this questionnaire is to gather data on **The Effect of Supply Chain Management Practice on Organizational Performance, (the case of DIEGO- Meta Abo Brewery Ethiopia)**. The study is purely for academic purposes and does not affect you in any case. I would greatly appreciate you for completing this questionnaire at your convenience. Your submission of the completed survey indicates your consent to participate in this study. Please, be assured that your responses will be confidential and safeguarded as appropriate. So, your genuine, frank, and timely response is vital for the success of the study. Therefore, I kindly request you to respond to each item of the question very carefully.

To investigate the effect of SCM practices on Meta Abo Brewery performance, the researcher prepared the following questions, please tick (√) on the appropriate question number in the appropriate box.

Thank you for your participation and contribution to the completion of this paper.

If you have any questions to ask please feel free to use the following address:

Email:

Tel: +251

**Part I. Demographic Information**

1. Gender

Male

Female

2. Age

Under 25 years old

26-35 years old

Above 36-45 years old

Above 46 years old

3. Educational Qualification

Certificate/diplomas

Bachelor's Degree

Post Graduate Degree

Doctorate

4. Employee Level

Staff

Supervisor

Manager

Officer

5. For how long have you been working in this company?

Less than 3 years

3 to 5 years

Above 6 to 10 Years

Above 11 to 15 years

Above 16 to 20 years

Greater than 20 years

6. Your department/work unit

Brewing/ Packing team

Procurement/OTC/PTP

Utility and engineering team

Customer service

Governance

Financial

Seals/Marketing

Others, please specify\_\_\_\_\_

7. How many years have you been in your current position?

Less than 3 years

3 to 5 years

Above 6 to 10 Years

Above 11 to 15 years

Above 16 to 20 years

Greater than 20 years

## Part II. Supply Chain Management Practices of Meta Abo Brewery

The following questions are about how your organization has been practicing supply chain management. Concerning your organization's supply chain management process, please choose the appropriate number and put (x) to indicate the extent to which you agree or disagree with each statement.

The item scales are five-point Likert type scales with 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

SRM is the supply chain management process that provides the structure for how relationships with suppliers are developed and maintained.						
No.	1. Strategic Supplier Partnership (SRM)	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	We consider quality as our number one criterion in selecting suppliers.					
2	We regularly solve problems jointly with our suppliers.					
3	We have helped our suppliers to improve their product quality.					
4	We include our key suppliers in our planning and goal setting activities.					
5	Our company has formal performance goals for supplier relationship management (SRM).					
6	Our company regularly measures our supplier's contribution to our profitability.					
7	Our suppliers understand how their decisions/actions affect the SRM process.					
8	SRM process requirements are determined by a cross-functional team.					
9	People throughout our company understand how their decisions/actions affect the SRM process.					
The CRM process provides the structure for how the relationships with customers will be developed and maintained						
No.	2. Customer Relationship (CRM)	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Our company has developed a Customer Relationship Management (CRM) process team.					

2	Our firm utilizes cross-functional input within the CRM process.					
3	Our firm ensures our CRM process is aligned with our corporate strategy.					
4	Our company develops metrics that are related to the customer's impact on our firm's profitability.					
5	Our company develops metrics that are related to our firm's impact on the customer's profitability.					
6	Our firm's CRM metrics are tied to our firm's financial performance.					
7	Our firm measures customers' profitability over time.					
8	We frequently measure and evaluate customers' satisfaction.					
9	We frequently interact with customers to set reliability, responsiveness, and other standards.					
10	We frequently determine future customer expectations.					
11	We facilitate customers' ability to seek assistance from us.					
12	We periodically evaluate the importance of our relationship with our customers.					

LIS refers to the extent to which criteria and proprietary information is communicated to one's supply chain partner.

No.	3. Level of Information Sharing (LIS)	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	We inform trading partners in advance of changing needs.					
2	Our trading partners keep us fully informed about issues that affect our business.					
3	Our trading partner shares business knowledge of core business processes with us.					
4	We and our trading partners exchange information that helps the establishment of business planning.					
5	We and our trading partners keep each other informed about events or changes that may affect the other partners.					

QIS: includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged.

No.	4. Quality of Information Sharing (QIS)	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Information exchange between our trading partners and us is timely.					
2	Information exchange between our trading partners and us is accurate.					
3	Information exchange between our trading partners and us is complete.					
4	Information exchange between our trading partners and us is adequate.					
5	Information exchange between our trading partners and us is reliable.					

### Part III. Organizational performance of Meta Abo Brewery

The following questions are about how your organization has been implementing Organizational Performance. Concerning the Organizational Performance of your company, please choose the appropriate number and put (x) to indicate the extent to which you agree or disagree with each statement.

The item scales are five-point Likert type scales with 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

No.	1. Organizational Performance	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	The growth of sales is significantly increasing.					
2	Our profit margin on sales is significantly increasing.					
3	The growth of return on investment is significantly increasing.					
4	Our market share is significantly increasing.					
5	Our customer's satisfaction is significantly increasing.					
6	Our supplier's satisfaction is significantly increasing.					
7	Our employee's satisfaction is significantly increasing.					



**Final Comments:**

1. If you have any opinion about the Supply Chain Management Practices of Meta Abo Brewery?

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2. If you have any comments on the overall Performance of Meta Abo Brewery?

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Thank you for your cooperation