

UNIVERSITY OF EMBU

ROLE OF STRATEGIC INVENTORY MANAGEMENT ON THE PERFORMANCE OF
MANUFACTURING FIRMS IN KENYA: A CASE OF DIVERSEY EASTERN AND
CENTRAL AFRICA LIMITED

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF DEGREE OF COMMERCE IN THE
UNIVERSITY OF EMBU

APRIL, 2019

ABSTRACT

Strategic inventory management is the systematic approach of identifying and solving the relevant stocking issues so as to achieve the targets and objectives set by management. Manufacturing firms face myriad of problems including poor inventory control, poor strategies in order fulfillment, reduced consumer effective demand due to poor forecasting and lack of proper ICT application systems leading to poor performance. The purpose of the study was to assess the role of strategic inventory management on performance of manufacturing firms in Kenya. The study focused on 155 employees in the supply chain department at Diversey Eastern and Central Africa (DECAL). The target population was 105 employees from the various sections in the supply chain department who are directly involved in managing inventories in the organization. The sampling frame was the Human Resource register at DECAL which stipulates that the Supply Chain department comprises of 155 employees working in the various sections in the organization. The population sample was 51 respondents and stratified sampling technique was used since the population from which the sample is drawn does not constitute a homogenous group. Structured questionnaires containing both open ended and closed ended questions were used to collect primary data. 48 questionnaires were filled and returned for analysis. Data collected was analyzed using both qualitative and quantitative data analysis approaches with the aid of Statistical Package for Social Science (SPSS) version 20. Analysis of variance (ANOVA), correlation and regression analysis were also used while analyzing data. Descriptive analyses such as frequencies and percentages were used to present quantitative data in form of frequency distribution tables and graphs such as bar charts and pie charts on major research questions while open ended questions were analyzed qualitatively, arranged thematically and presented on narrative form to draw conclusions and recommendations.