

**INFLUENCE OF INVENTORY MANAGEMENT SYSTEMS IN SUPPLYCHAIN
PERFORMANCE IN GOVERNMENT PARASTATALS IN KENYA: A CASE OF
CENTRAL BANK OF KENYA**

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**A RESEARCH PROJECT SUBMITTED TO THE PROCUREMENT DEPARTMENT
IN SCHOOL OF BUSINESS AND ECONOMICS FOR FULFILLMENT AND FOR THE
AWARD OF BACHELOR OF COMMERCE IN THE UNIVERSITY OF EMBU.**

2019

ABSTRACT

The purpose of the study was to identify the factors affecting inventory management in the government parastatals in Kenya: a case study of Central Bank of Kenya. Inventory management systems are tools used by organizations to achieve supply chain performance. Thus, this study sought to establish the relationship between inventory management systems and supply chain performance. The study was guided by four objectives: to determine the extent of inventory management systems' application in governmental parastatals in Kenya, to investigate the impact of staff competence on the supply chain performance in government parastatals in Kenya, investigate the impact of information technology on supply chain performance of government parastatals and to establish the impact of information management on supply chain performance of government parastatals in Kenya. Descriptive methods would be used for the study and questionnaires would be used as the data collection instrument, the target population would be 210 members of the staff at The Central Bank in which would involve top level management, middle level management and support staff. A sample size of 105 would be picked through simple random sampling. In collecting data both open ended and closed ended questions would be used. The quantitative and qualitative data generated would be analyzed by use of descriptive feature in SPSS version 21.0, to generate information which would be presented using table, charts, frequencies and percentages and inferential statistics to make predictions or inferences about population from the observation and analysis sample. The regression model would be used to show the relationship between the dependent and independent variables. The study would draw conclusions whether supply chain performance is influenced by inventory management systems, affected by staff competence, impacted by I.T and influenced by information management. The research study employed a practical research design whereby an empirical study of the topic was conducted. The target population of the entire study was 110 and a sample size of 80 respondents was selected to represent the entire population of the study. The researcher used stratified random sampling in selecting the sample size. The research used questionnaires to collect data from the respondents. Analysis indicated the influence inventory management systems where 85% respondents agreed while 15% of the respondents disagreed. On staff competence 78% of respondents agreed that it does affect while 22% does not affect. On the effect of I.T on supply chain performance in government parastatals 76% indicated that it does affect while 24% indicated that it does not affect supply chain performance in governmental parastatals. The the

study also indicated the effect of information management on supply chain performance of government parastatals where 61% of the respondents agreed that it does affect while 39% disagreed it does not affect, therefore it can be concluded that inventory management systems influence supply chain performance in government parastatals. It is recommended that the management of this organization should adopt inventory management to better control their stocks. It was recommended that the organization should invest in their supply chain staff through proper training and career development. It was recommended that the government parastatals policies example laws should embrace I.T and keep abreast with recent developments. It was recommended that improved information management solutions to better control information flow across the institution's supply chain.