

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE**

**THE EFFECT OF SUPPLY CHAIN MANAGEMENT
PRACTICES ON ORGANIZATIONAL PERFORMANCE OF
HOTELS IN CHAUNG THAR AND NGWE SAUNG**

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**THE EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES
ON ORGANIZATIONAL PERFORMANCE OF HOTELS
IN CHAUNG THAR AND NGWE SAUNG**

This thesis is submitted to the Board of Examiners in partial fulfillment of
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ABSTRACT

This study examines the effect of supply chain management practices on organizational performance of hotels in Chaung Thar and Ngwe Saung. The objectives are to explore supply chain management practices of hotels and to analyze the effect of supply chain management practices on organizational performance of hotels. In this study, primary data are collected from 50 hotels with 100 managers who are working in hotels among total 54 hotels in Chaung Thar and Ngwe Saung. Descriptive method is employed for this study. All hotels in Chaung Thar and Ngwe Saung adopt seven supply chain management practices such as strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship. Among these practices, customer relationship is mostly performed in hotels followed by postponement, inventory management, information sharing quality, lean supply chain practice, strategic supplier partnership and information sharing level. This study is found that strategic supplier partnership, information sharing level, inventory management, lean supply chain practice and customer relationship are positively significant effect on organizational performance however information sharing quality and postponement practices are not significantly effect on organizational performance of hotels. Based on the findings, this study suggests the supply chain management practices should be implemented in hotels for cost reduction, profit maximization, efficiency improvements from such implementation.

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LIST OF ABBREVIATIONS

CRM	Customer Relationship Management
CODP	Customer Order Decoupling Point
F & B	Food and Beverage
FO	Front Office
SC	Supply Chain
SCM	Supply Chain Management
VIP	Very Important Person
HR	Human Resource
MOHT	Ministry of Hotels and Tourism
CRM	Customer Relationship Management
ROI	Return On Investment
MOEE	Ministry of Electricity and Energy

CHAPTER I

INTRODUCTION

Nowadays, proliferation of technological innovation stimulates fierce competitions among enterprises. Firms are needed to continuously implement the processes of SCM to boost competitiveness in competitive business environment. SCM is a weapon to improve operational efficiencies in enterprises. Therefore, it becomes a fundamental process to get better performance and retain competitive edge.

Supply chain is a network of interdependent suppliers to add value for specific products and deliver these products to the ultimate consumers. Not only manufacturing firms but also service firms utilize SC network to achieve their business objectives. Xu and Gursoy (2015) interpreted hospitality SC as a joint system with hospitality associations planned to supply raw food materials, equipment, furniture, toiletry products, electrical appliances, luxury products and then intend to distribute and market the final hospitality products and/or services to final customers in hotels or restaurants. Harland (1996) revealed SCM has been emerged during late 1980s and nowadays, all organizations oblige SCM practices well to enhance performance. Koh et al. (2007) also highlighted SC as a value-added chain system of dissimilar associations to cope resources with a commitment for attaining profits and effectual operations. Li et al. (2006) also stated SCM practices as actions to predict supply and demand for proficiency in firm's operational procedures. Mahapatro (2009) also suggested organizational performance as competence of businesses to reach their intention such as not only market-oriented but also financial.

Nowadays, people confuse with struggling for their welfare. Therefore, they try to reduce their stress with travelling. Therefore, travelling activities come to be a popular trend. Most people travel to beautiful scenery mountain regions and pleasant beach regions. Therefore, tourism development is surged up in these regions. Enhancing tourism makes sure hotels as an absolute necessity. Besides that, hotel sector are also the main sector in economic development of Myanmar. By extensive growth number of hotels, employment opportunities are arose for local inhabitants; however, competitive conditions are also occurred among hotel businesses. Therefore, hoteliers oblige to carry out SCM practices in hotels.

Among the three coastal regions in Myanmar, Ayeyarwady Delta region is a well-liked region for local travellers and foreign tourists because of Chaung Thar

beach and Ngwe Saung beach. Beautiful beach sceneries are compatible with gorgeous hotels. Most of the gorgeous hotels are located along the seashore of Chaung Thar and Ngwe Saung beaches. Growing visitors in these beaches generates extensive growth of beach hotels. Therefore, hotels in Chaung Thar and Ngwe Saung face competitions in this beach region and then, hoteliers require considering the effect of hotel SCM practices on organizational performance.

Implementation of well-managed hotel SC increases the performance of hotels. Good performance of hotels with strong infrastructure improves the tourism development and economic conditions of Myanmar. Therefore, this study contributes to the good of hoteliers for considering that well performing SCM practices impact on their hotel performance.

1.1 Rationale of the Study

In today's world of fierce competition, SCM practices come to be key strategic practices for success and sustainable growth of hotel organizations. Hotels face tremendous challenges especially continuous increasing in customers' expectations and ever rising customers' demands. To gain a competitive edge among competitors, flexible procedures and innovated modes of operations with cheapest operational costs are crucial practices for hotels. Therefore, hotel organizations have been increased interest in SCM practices.

Competitions among hotels are also rising time to time because of easy entry and easy exit from the hotel industry. Increasing rivalry forces hotels to find ways to retain current customers and attract potential customers. To get better hospitality services and grow in customer satisfaction, hoteliers need to have deep knowledge relating to customers' needs, preferences, and behavior, then be aware of the ways that is value creation for customers, stimulation of customer retention and loyalty, system-wide costs reduction. By behaving effectively in these practices, hotels get more profits and then improve organizational performance.

Hotel sector also enhances local economic activities, foreign exchange earnings, and employment opportunities. With the growing number of visitors in Chaung Thar and Ngwe Saung beaches every year, hotels emerge along the beaches at a rapid rate. Therefore, SCM practices become a prime competitive factor for the long-term success of hotels and then appraisal of hotel's SCM practices becomes an important exploration in these days. All beach hotels struggle for offering updated

services with low costs. To attain this performance, well-established SCM system helps hotels to succeed; however, these hotels face a variety of challenges to effectually implement SCM practices in beach hotels because most beach hotels are lack of understanding SCM concept and turbulent nature of hotels.

Due to intense competition in Chaung Thar and Ngwe Saung beaches, hotels effectively utilize their resources such as employees, technologies, capitals, business knowledge, etc. Besides that, hotels combine their resources from multiple SC partners because collaboration with SC members is more powerful than single-handed hotel businesses. Therefore, hotels build integrated relationships with participants in SC because customers' needs, internal operations, supplier performance are simultaneously managed in the whole SC.

Beach tourism development in Chaung Thar and Ngwe Saung attracts to most investors for investment in hotel businesses besides that these two beaches are highly potential to develop. Therefore, Chaung Thar and Ngwe Saung beach hotels are very competitive conditions because most hotels are located along the seashore and sea view hotels are highly demand. To keep pace with this high competition, hotels upgrade their services and reduce unnecessary costs. Thus, beach hotels require to successfully implementing SCM practices because SCM assists hotels to build stable relationships with resource providers with a good ordering system and then, improve the hotel's amenities and facilities level towards customers.

A well-established SCM system helps hotel businesses to withstand competitive advantage, get better services and drive down costs. Therefore, long-term survival of beach hotels with seasonally characterized environment depends on the capability of how can manage the hotel's SC that determine hotel performance.

1.2 Objectives of the Study

The objectives of the study can be specified into as follows:

1. To explore supply chain management practices of hotels in Chaung Thar and Ngwe Saung and
2. To analyze the effect of supply chain management practices on organizational performance of hotels in Chaung Thar and Ngwe Saung.

1.3 Scope and Method of the Study

This study is conducted to assess the effect of supply chain management practices on organizational performance of hotels in Chaung Thar and Ngwe Saung. This study focuses on the hotels which are registered in Ministry of Hotels and Tourism, having more than 20 rooms and receiving stars rated hotels in Chaung Thar and Ngwe Saung. At present, 54 registered hotels are operated in Chaung Thar and Ngwe Saung. Out of them, 50 hotels of similar features ranging from 3-star beach hotels to 5-star beach hotels were randomly selected. Therefore, sample size was 92.6%. The targeted respondents are hotel managers and procurement managers from each selected 50 hotels.

This study adopts descriptive research method. Data were accumulated both primary and secondary sources. Primary data were collected from managers who are working in hotels by using standard questionnaires including five-point Likert scale statements through personal interviews, telephone and social media. Questionnaires are established five-point Likert scale concerned with SCM practices and organizational performance. Data collection period was during December 2020. Secondary data were obtained from extensive literature reviews on previous studies concerning SCM practices, periodic reports and articles, research journals, statistical data issued by government agencies and organizations related to hotels, reports issued by MOHT and the education websites.

1.4 Organization of the Study

This study consists of five chapters. Chapter one describes the introductory of the study, why the study is conducted and its learning objective and in sequence showing the scope and method of the study and organization of the study. Subsequently, chapter two states the review of pertinent literatures with highlighting the previous studies. Meanwhile, chapter three represents hotels in Chaung Thar and Ngwe Saung beaches, departmental structure of hotels in Chaung Thar and Ngwe Saung and SCM practices of hotels in Chaung Thar and Ngwe Saung. In chapter four, empirical part is presented in ways of results and analysis of them by tables. As final, chapter five concentrates on the major findings, discussions, and recommendation for further study.

CHAPTER II

LITERATURE REVIEW

This chapter exhibits review of pertinent literatures and highlights the previous studies related to SCM concept and organizational performance. This chapter is organized into seven segments; SC, SCM, SCM practices, SCM practices in hotels, organizational performance, previous studies and conceptual framework to assess the relationship between organizational performance and seven SCM practices.

2.1 Supply Chain

Each organization is a vital portion of SC because suppliers, producers, transportation companies, distribution centers, wholesalers and retailers are combined to operate SC. Supply is the support of resources entailed in operations and chain is the connection with supply associations to achieve business goal.

Mentzer et al. (2001) stated SC as a resource supplied network to create and deliver a specific product and/or service from point of origin suppliers to ultimate consumers by utilizing resources retained individuals and/or entities. Waters (2003) expressed SC as the interconnection system between upstream level suppliers and downstream level customers. Upstream level is also known as supplier-oriented linkage which involves suppliers to contribute goods, equipment, materials, and components required in internal manufacturing and service operations. Downstream level or customer-oriented linkage is the delivering finished products with compatible services to final purchasers (Kazemi & Sanaei, 2014). Upstream level consists of multiple suppliers. Downstream level includes wholesalers, customers and retailers. Khairi Kleab (2017) described SC as the combination of physical flow, information flow, and finance flow. Physical flow is the storage and carriage of stocks in SC process. Information flow is the exchanging information such as long-term plans, flow of daily goods, operational problems with SC partners. Finance flow is also known as revenue flow that is the revenue movement from ultimate consumer back through retailers, suppliers, distributors in the SC.

Wu et al. (2008) described manufacturing SC as the movement of stocks from suppliers to ultimate customers by collaboration with SC partners such as suppliers, manufacturers, distributors, retailers and customers. Information flow is mutually direction between these partners. Funds flow is the backward direction from

customers to suppliers. Physical flow is forward direction from multiple suppliers to customers. Service SC is the interconnection of individuals and organizations for personalized customer service by utilizing the required resources. Service organizations' SC starts from the point of origin suppliers who support products and services to internal organization. Organizations receive and store these resources and then utilize in service operations. Then, final services are offered to the ultimate clients. Moreover, service organizations receive customer feedback and then connect multiple suppliers for choosing quality and forecasting demand.

SC operation is critical for all organizations because it equalizes supply and demand, speedily responds to disruptions, optimizes business's processes and also manages various suppliers.

2.1 Supply Chain Management

Success and failure of every organization are dependent on how SC can effectively manage. In competitive business environment, SCM is a major source to get competitive advantage. SCM was first introduced by Keith Oliver in 1982. It is a control system for information flow, material flow and financial flow in multiple networks of separate entities.

Aitken (1998) explained that SCM is the administration of SC linkages intends to advance in offering and delivering specific products to ultimate customers by integration simultaneously with suppliers' performance, interior process and customers' expectations. Simchi-Levi and Kaminsky (2000) described SCM as not only handling resources such as materials, money, men and information but also maintaining relationships with suppliers and customers. Suriya (2014) outlined SCM is transforming, controlling and exchanging the products, information, finances of SC members in order to forecasting supply and demand, planning operational procedures, implementing activities, controlling transactions and fulfilling customers' desires. Besides that SCM comprises of upstream management and downstream management. It includes supply management, logistics management, internal operations management, and customer management.

Businesses formerly intend to diminish costs and maximize profits. Nowadays, they consider providing excellent services for customers and growing competitive advantage among competitors. Prasad and Selven (2010) expressed as cost reduction and minimum lead time is the major benefit for utilizing SCM practices

in manufacturing organizations. Țigu, G., & Călărețu, B. (2013) pointed out collaboration with suppliers and contribution smooth services are the main goals for applying SCM practices in service organizations. Therefore, Ou et al. (2010) suggested that SCM is the effective strategy to improve business performance and Childhouse (2003) also recommended SCM as a weapon for competitive environment.

2.3 Supply Chain Management Practices

Muhammad (2004) examined six components of SCM practices including degree and quality of information sharing, customer relationship, lean practice, strategic supplier partnership and outsourcing. Ayalew (2018) also studied six SCM practices such as information sharing, postponement, lean system, strategic supplier partnership, information quality and customer relationship. Adebayo (2012) also characterized five SCM practices as upstream level (strategic supplier partnership), information exchanging (information sharing level and information sharing quality), internal SC process (internal lean practice) and downstream level (customer relationship). Ondoro Ochieng Victor (2018) investigated four practices such as inventory management, lean supply chain practice, supplier development and strategic supplier partnership impact on hotel's competitive advantage. By reviewing the above previous literatures, this research studied seven practices that are important in SCM of hotels; strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship.

2.3.1 Strategic Supplier Partnership

A single firm has multiple types of suppliers dependent on business nature. Firms maintain good business to business (B2B) relationships with various suppliers because suppliers are the first link in a SC. Supplier relationship supports a systematic procurement and then reduces operational wastages. Therefore, supplier relationship becomes a partnership because of the same objectives for mutual benefits.

Gunasekaran (2001) also defined strategic partnership as keeping partnership relationships and solving problems together in SC operations. (Ayalew, 2018). Firms apply resources from suppliers and then cooperatively by generating profits. Hugo (2004) suggested that collaboration with SC partners can reduce SC risks and more

improve SC operations efficiently. Therefore, strategic supplier partnership is an essential capability for the whole SC in any business.

Díaz (2006) identified strategic supplier partnership as building strong strategic relationship within stakeholders such as suppliers, customers, distributors and competitors. Petersen, Handfield, Lawson & Cousins, (2008) indicated that effective strategic supplier partnership helps in transportation of goods and services smoothly, profit maximization with lower costs, product quality improvement and innovated products/ services creation, jointly operational problems solving, continuous development program and sustain competitive edge and then SC partners share generated benefits . Therefore, Spekman et al. (1998) stated strategic supplier partnership as creating win-win situation for stakeholders (Ondoro, 2018).

2.3.2 Information Sharing Level

Information sharing is a key role in SCM. Nahmias (2001) revealed that information supports decision makers to run business smoothly and to succeed in ever more complex competitive environment. Wijetunge (2017) expressed information sharing as the activity of certain data exchanging about business knowledge, proprietary information and problems between SC partners including suppliers, wholesalers, distributors, retailers, customers and agents. Lee et al. (2002) and Mentzer (2008) also stated that information sharing empowers businesses to make better operational decisions and adaptable behaviors leading to better resource utilization, lower SC costs and more quickly reactive to customers' demands.

Information sharing level indicates the level to which all serious and copyrighted information is shared to SC partners. Tae Lee (2017) pointed out level of information sharing is important in SC process integration and it can be classified into scrutinizing inventories, sale and demand forecasting, ordering, manufacturing, training and recruiting employees and attracting customers. Sharing information intends to spread reliable information for supervising the entire SC operation. Power (2005) indicated that information delays, shortage or distortion across the SC leads to failures in business reputation and profits. Kothari and Hu c, (2005) suggested that information technological software can be used to share real-time information in different parts of SC. Therefore, businesses can fulfill customer requirements and minimize unnecessary costs by sharing information in effective manner.

2.3.3 Information Sharing Quality

Businesses are needed to make important decisions by sharing high-ranking information such as accuracy, reliable, completeness, adequacy, and timeliness. Information sharing is needed to accurate because inaccurate information can cause significant problems with rigorous consequences. By sharing completeness information, SC partners more comprehend the information. Information reliability is also important because businesses cannot trust the data when pieces of information contradict themselves. Information adequacy is the state of being sufficient information for the purpose concerned. Gathering inadequate information causes wasting time as well as money. Information timeliness reflects the update information sharing because outdated information can lead to making the wrong decisions.

Monczka (1998), Li (2006) and Moberg (2002) characterized that quality of information sharing is exchanging accurate, timely, adequate and credible information in organizations. Businesses recognize qualified information as a strategic asset for long-term financial savings. Feldmann (2003) also suggested that these qualified information are required to effective flow of information with minimum delays and distortion. Reliable information sharing between customers and suppliers would enable not only organizational success but also SCM improvement because it can reduce risks and wastes and then helps to decide plan for profitability.

Real benefit of information sharing is vital for integration of SC members. However, organizations are hesitant to reveal the valuable information to outsiders. Holmberg (2000) observed that information gap in SC can impact on efficiency of daily operations. Therefore, not only quantity but also quality of information sharing has become crucial in SCM practices.

2.3.4 Inventory Management

All businesses have various inventories such as raw materials, ready goods, semi-finished goods, final goods, and also services intended to sell for earning profits. Inventory management is a core management in SC for keeping track of the flow of inventory. Well-managed inventory system maximizes profits and minimizes costs. Poor inventory management increases costs and hampers internal operations. Therefore, inventory management system is the main sector for ordering and purchasing and also helps to be a successful business.

Inventory can be controlled by using not only manual system but also automated system. When the ordered goods are reached in the organization, it is needed to manage in receiving, counting, sorting, storing, and maintaining in warehouse. Effective inventory management system helps to prevent stock-outs, and reduce stock wastage. Therefore, handling inventory intends to equalize between stock maintenance costs and stock transportation costs.

Pontius (2017) described two inventory control systems as perpetual system and period system. Perpetual system is the inventory tracking system by using inventory management apps and it includes sharing update inventory information and handling minimal physical counts. Period system is not daily tracking on inventory however, track physical count on a certain period. FIFO method, EOQ method, ABC analysis, barcode system, RFIDS method, VMI method, ERP method, JIT method, marginal analysis model, and stochastic inventory model are used to manage inventories in compatible with business sizes and nature. The decision making for inventory management is the critical backbone of the cost effective SC and also affect physical distribution costs and the level of customer service provided.

Besides that, inventory management also impacts on performance. Poor inventory management lead to revenue leakage, stock wastage, fraud and error. Effective inventory management practices can reduce operation costs, receive benefits and run SC smoothly and then reduce errors and frauds in internal operations. Therefore, inventory management is vital component in SCM.

2.3.5 Postponement

Postponement concept was proposed by Alderson (1950). Johnson et al. (1999) characterized postponement as the activity of moving forward one or more operations to a later point in the SC. Van Hoek (1997) also described postponement as the delay activities to provide product customization and service personalization while waiting for customer orders to receive. Yang B (2004) pointed out firms can obtain more reliable information and can also reduce SC risks by delaying some SC steps.

Beamon (1998) expressed as businesses can determine the operational stages to postpone based on postponement point. Postponement point is the turning-point that moves some steps in SC from large quantity production to customize production. Customer orders arriving time is the postponement point in manufacturing businesses. Customer reservation point and customer contact point are applied to determine

postponement practices in service businesses. Nowadays, most organizations use the postponement strategy to provide mass customization. In SC, general production method is utilized in upstream level and customized production method is employed in downstream level.

CODP is the final point to hold inventory before finally going out to customer. Postponement practice is the delay of CODP until it accepts a certain order or more accurate information. Therefore, postponement practice intends to make balance between providing client satisfaction and retaining costs save. Businesses can choose postponement practice based on different positions of CODP. Time postponement, purchasing postponement, production postponement, pricing postponement, form postponement, place postponement, logistics postponement and product development postponement are the most widely used postponement practice.

Time postponement indicates the delay of activities until orders are obtained in time. Place postponement exposes the delay in the stream of goods to downstream SC until orders are attained. Form postponement reveals the delay of activities to determine form of products until orders are reached. Purchasing postponement shows the delay of procuring raw materials until the information on downstream demand. Product development postponement is a sign of delay value chain activities such as product design stage until receiving customer orders. Production postponement exhibits the delay of production activities and to maintain inventories until obtaining orders. Logistics postponement manifests the delay of final product flow until the receipt of orders. Price postponement is the delay of making price decision until the resolution of demand uncertainty.

Waller (2000) also described briefly that postponement practice helps organizations to responsively fulfill customer expectations by offering dissimilar products and services with competitors and reducing SC risks.

2.3.6 Lean Supply Chain Practice

Lean SC concept is dependent on performance of SC that focuses on eliminating waste and unnecessary steps in SC processes. By reason of market uncertainties, fierce competition and, boost in customer demand, all businesses perform lean SC practices with the aim to improve SC operation, repel business challenges and get competitive advantage.

Lean SC practice starts from ordering goods, processing in operation, and then delivering to end customers with minimum wastes, costs, time. Nightingale (2005) explained lean SC is the activities to diminish wastes without sacrificing quality and manage properties by creating value within SC organizations. Besides that wastes in each SC process are barriers to achieve stakeholders' goals. Therefore, the goal of lean SC practice is to create valuable services for customers by utilizing few resources and minimizing non-value activities in upstream and downstream SC.

Organizations use lean SC practice mostly in ordering, storing, conveying, and internal operation. Lean SC practice also manages supplier relationship based on long-term perspective so as to reduce costs for choosing multiple suppliers and improve value-added activities such as building trust with long-term suppliers. Thus, organizations strive to effectively apply lean concept in SC because it would benefit from a systematic approach towards building relationships and managing their SC.

2.3.7 Customer Relationship

Not only individual but also organization that consumes products and/or services can be customer for any businesses. Conserving customer relationships intend for effective controlling in downstream SC. Tan (1998) described good customer relationship generates easily handling customer complaints and providing services to fulfill customers' expectations.

Mbuthia and Rotich (2014) also recommended that CRM is the vital component in downstream SCM as a consequence of the era of immense growth of mass customization and personalized service. Basu and Wright (2008) also described that business can forecast the demand exactly by recording data including current needs, future needs, expectations, satisfaction of each and every contact with customers. Therefore, organizations come to apply computer software system to sorting and storing customer data and this system assists to effectively manage customer relationship. (Kazemi & Sanaei, 2014).

Nowadays, businesses strive to maintain long-lasting relationships with clients so as to be flexible with various expectations of customers aimed at achieving life-long customer loyalty. Strongly relationships between organizations, suppliers, employees and customers help in customer service management, customer satisfaction measurement, forecasting customer expectations and facilitating customer assistance.

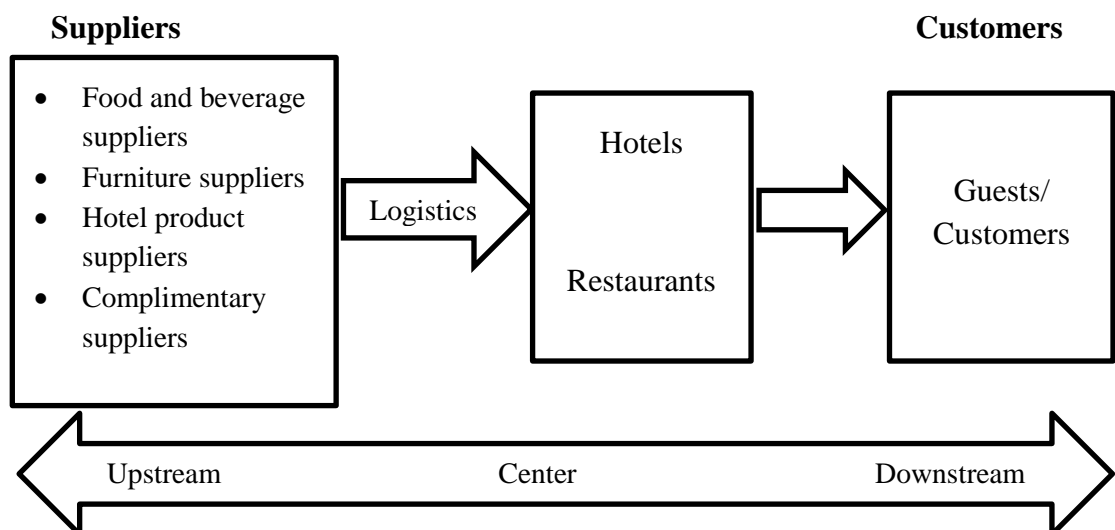
2.4 Supply Chain Management Practices in Hotels

Nowadays, hotels need to upgrade hospitality services to withstand in fierce competition market. To succeed hotel organization, it is needed to comprehend SCM concept of hotels for effectively manage products, information and finances.

Hotel SCM is the administration of hotel supply network organizing physical items, information exchange, financial transaction coordinated with suppliers to provide different hospitality services to ultimate clients by using goods, materials, labor, guests, information and technology from suppliers. Clement (2013) characterized hotel SC is very complex because of different transactions such as various inventory, mass storage, distribution and relationships with various suppliers (Kazemi & Sanaei, 2014). Hotel SCM also handles tangible material inputs (good and materials) and intangible material inputs (information, technology, payment system) because these inputs are applied in upstream SC and downstream SC of hotels.

Ganesh Kumar and Nambirajan (2013) also described SCM as a strategic factor for better utilization of organizational resources and increasing organizational efficacy. Therefore, hotels require to effective manage SC to be competitiveness, get better customer care, and raise profitability. Kazemi & Sanaei (2014) also affirmed that hotel SCM is the administration of upstream component (suppliers), internal component (operators) and downstream component (guests).

Figure (2.1) Basic Hotel Supply Chain



Source: Xu & Gursoy (2015)

Figure (2.1) shows the basic hotel SC. The main hotel SC partners are hotel suppliers, hotel operators and hotel guests. The upstream level of hotel SC includes F & B suppliers, furniture suppliers, hotel product suppliers and complimentary suppliers etc. In upstream level, suppliers provide necessary resources to hotels and then, hotels also provide final services to guests/ customers in downstream level by using goods and materials from suppliers.

Hotels require managing SC well for fulfilling customer requirements, receiving profits and reducing unnecessary costs. Hotel SCM controls the activities such as supplier management, logistics, storage, organizational process, service operation and CRM. These SCM activities differ as stated by the needs for hotel's accommodation and catering services.

2.5 Organizational Performance

Businesses measure their performance to be aware of their financial and/or non-financial conditions. Performance is the final results gained by employing resources in business operation. Businesses evaluate these results in comparison with their business goals and standards. Performance measurement is a weapon to be enduring succeeds and meets stakeholders' needs.

Yamin and Gunasekruan (1999) expressed organizational performance as the evaluation concept on the organization's capability for achieving market-oriented goals and economic goals (Wijetunge , 2016). The main variables for measuring organizational performance are input, output, efficiency, quality and outcome. Karimi and Rafiee (2014) also stated organizational performance in relation to SCM can be categorized into output performance, flexibility performance and resource performance. Output performance reflects the administrative outcomes and is measured by service quality. Flexibility performance points out promptly respond for SC activities. Resource performance indicates the attainment of business efficiency.

Besides that accounting measure, operational measure, market-based measure, and survival measure are employed to evaluate organizational performance. Accounting measure includes profitability, cash flow, liquidity, growth, leverage, and efficiency. Operational measure involves customer satisfaction, employee satisfaction, market share and stakeholder performance. Market-based measure consists of shareholder return, market value added, and holding period return. Survival measure

indicates the ultimate measure of long-term performance and includes innovation, collaboration and organizational culture.

Luo et al. (2012) advised that organizational performance should be evaluated in economic and operational performance of firms. Economic performance can be assessed by profits, return on investment, sales, cash flow, contribution margin, and gross profit margin etc. Operational performance is evaluated with the variables such as customer loyalty, social capital, competitive edge, etc.

Venkatraman and Ramanujam (1986) pointed out assessment of organizational performance to measure business prosperity is isolated into three measurements: operational performance, financial performance and market performance. Fatihudin & Mochklas (2018) found that financial performance is how well achieve the financial goals by controlling resources and can be measured profitability, solvency, leverage, cost reduction, and profit growth. Nouri Bagher (2018) described operational performance as the sufficiency in organization by utilizing its assets and can be assessed by cost save, accuracy forecast, get better quality, deliver dependability, reduce stock, and flexibility. Delaney and Huselid (1996) characterized market performance reflects how well a business perform in the market and can be appraised sales growth, ROI, market share growth, net revenue, and return on resources.

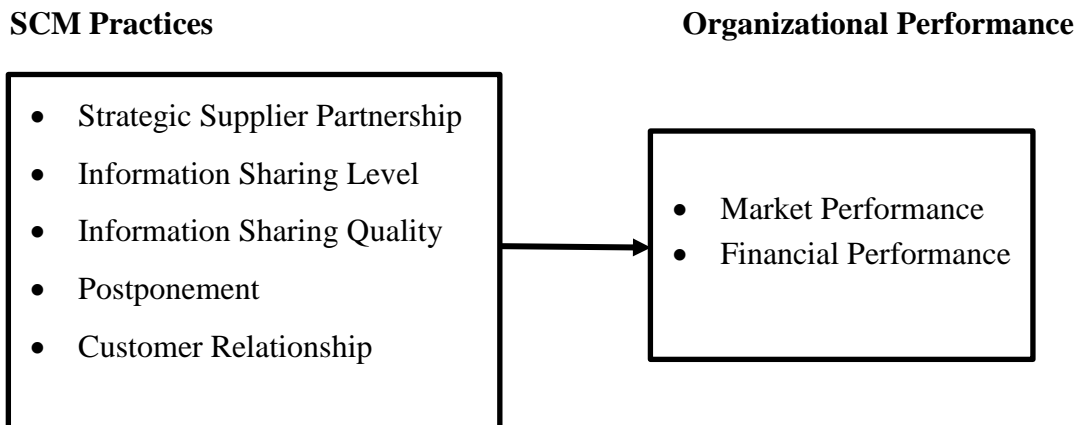
Ittner et al. (2003) nominated that non-financial measurements are better performance indicators than financial measures for service organization. Cocca and Alberti (2010) pointed out non-financial measurements such as proficiency, personal satisfaction, consumer loyalty, adequacy, quality, gainfulness, on-time delivery and productivity are utilize to measure organizational performance of service organizations.

A wide range of associations regardless of whether big or small, public or private, for-profit or nonprofit, struggle for survival successfully in competitive environment. To be guaranteed of their prosperity, associations must perform well. Proficient deployment of resources lead to lower cost, better quality, faster response and consequently higher market share. Therefore, organizational performance measurement is the cornerstone of business improvement.

2.6 Previous Studies

There are various research studies concerning with effect of SCM practices on organizational performance. The conceptual framework of this study stems from three conceptual models of previous researchers.

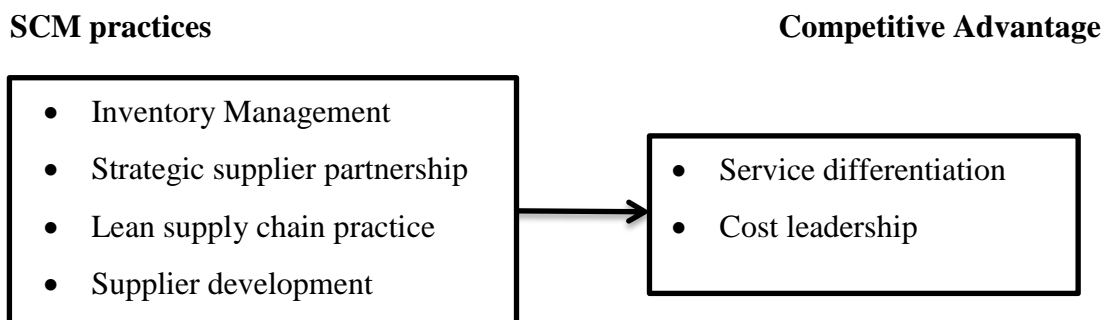
Figure (2.2) The Impact of Supply Chain Management Practices on Organizational Performance of Hotel Industry in Sri Lanka



Source: A.G.N.K. Fernando and C.P. Danthararyana (2019)

Figure (2.2) is the impact of SCM practices on organizational performance of hotel industry in Sri Lanka. A.G.N.K. Fernando and C.P. Danthararyana studied by collecting data from respondents in 50 hotels. This study discovered that SCM practices that are strategic supplier partnership, information sharing level, information sharing quality, postponement, and customer relationship have obvious impact on organizational performance.

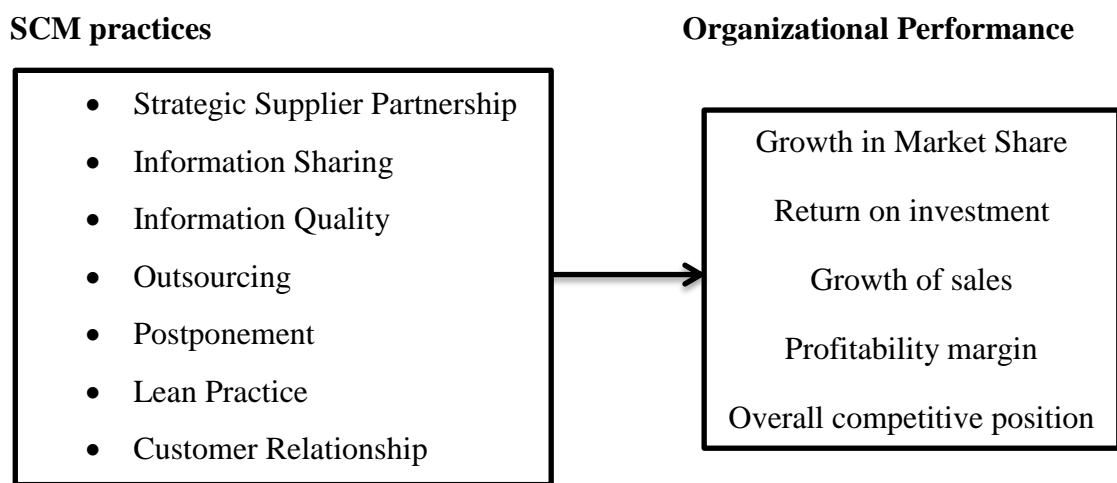
Figure (2.3) Supply Chain Management Practices and Competitive Advantage in the Hotel Industry in Nairobi Region



Source: Ondoro Ochieng Victor (2018)

Figure (2.3) is the study of SCM practices and competitive advantage in the hotel industry in Nairobi Region developed by Ondoro Ochieng Victor in 2018. Data was collected from 43 hotels in Nairobi Region. This study revealed that inventory management is the majority practice and followed by supplier development, strategic supplier partnership and lean SC practice. However, these practices were not significant to competitive advantage. The findings further exhibited that cost leadership and service differentiation contribute to hotel competitive advantage.

Figure (2.4) Supply Chain Management Practices and Organizational Performance of Large Manufacturing Firms in Nairobi, Kenya



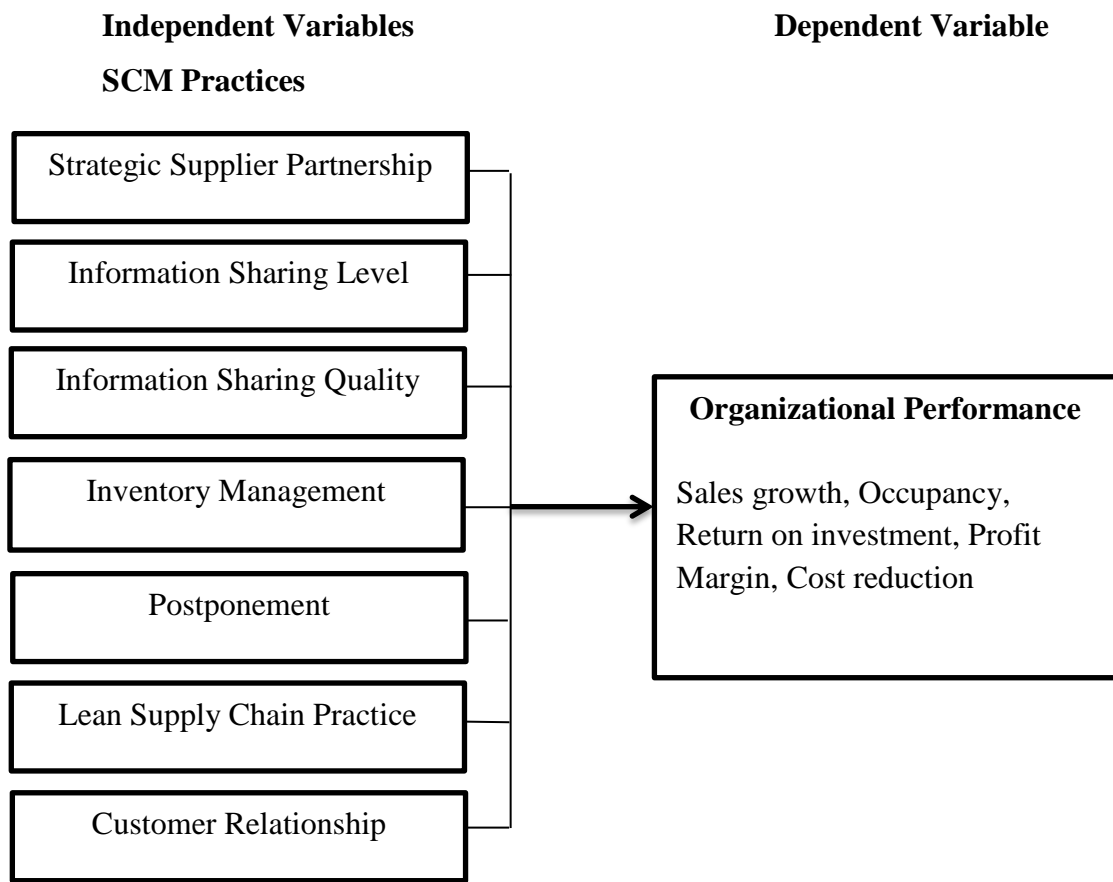
Source: Hilda Mwale (2014)

Figure (2.4) is the study of SCM practices and organizational performance of large manufacturing firms in Nairobi, Kenya developed by Hilda Mwale in 2014. Data were gathered from 46 manufacturing companies among 455 firms in Nairobi, Kenya. This study found that strategic supplier partnership, information sharing, information quality, outsourcing, postponement and lean practice positively impact on organization performance.

2.7 Conceptual Framework of the Study

The conceptual framework of this study is developed by using the previous studies that have been tested in attempting to analyze the effect of supply chain management practices on organizational performance as shown in Figure (2.5).

Figure (2.5) Conceptual Framework of the Study



Source: Adapted from Hilda Mwale (2014), Ondoro Ochieng Victor (2018), A.G.N.K. Fernando and C.P. Danthararyana (2019)

This study focus on the effect of SCM practices on organizational performance of hotel industry. In this study, independent variables are seven dimensions of SCM practices: strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship and dependent variable is organizational performance by measuring sales growth, occupancy rate, and return on investment, profit margin and cost reduction.

CHAPTER III
SUPPLY CHAIN MANAGEMENT PRACTICES OF HOTELS
IN CHAUNG THAR AND NGWE SAUNG

This chapter consists of hotels in Chaung Thar and Ngwe Saung beaches, departmental structure of hotels in Chaung Thar and Ngwe Saung and then, followed by SCM practices of hotels in Chaung Thar and Ngwe Saung. Hotel SCM practices involve the factors about the strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship.

3.1 Hotels in Chaung Thar and Ngwe Saung Beaches

Chaung Thar and Ngwe Saung beaches are the loveliest and most pleasant beaches in Ayeyarwady region. Chaung Thar and Ngwe Saung beach resorts were opened in 2000. Due to relaxation of procedures for business license, the numbers of licensed hotels and guest houses have increased in beach resort areas. In Chaung Thar and Ngwe Saung, there are 54 registered hotels and 13 registered guest-houses and 338 rooms in total. These are 26 hotels and 8 guest houses in Chaung Thar and 28 hotels and 5 guest houses in Ngwe Saung. All hotels are located along the seashore. Among these hotels, three-star and four-star hotels are the most. Five-star hotel is the least in these beaches. However, above three-star hotels are selected for this study because highly star-rated hotels implement SCM practices more effectively than guest houses.

Beach resort's demand depends on a seasonal trend whereby tourist arrivals only surge during the peak season especially holiday breaks and festivals. Peak season starts normally from November until April. While most hotels temporarily shut down during the monsoon season, some remain moderately open and provide catering services mostly to domestic vacationers with promotional packages and rates.

Normally, beach hotels rooms can be categorized into sea view room, garden view room, budget room, and deluxe room. Most hotels nominate check in time is 2:00 pm and check out time is 11:00 AM. As MOEE cannot supply electricity for these regions, beach hotels use generators to provide electricity. Therefore, hotels specify electricity time from 6:00 pm to 6:00 am and 1:00 pm to 3:00 pm. Some

hotels supply 24-hour electricity for VIP rooms and cut off the power line for air-condition from 8:00 am to 11:00 am.

Hotels also divide their room prices based on room category inclusive of complimentary buffet breakfast, government taxes and service charges. Large hotels accept Master Cards and Visa for payment but all the guest houses and budget places do not. Besides that most hotels accept not only MMK but also US dollars. Hotel room promotions and discounts are depended on percentage proportionately of high season rate. Mostly, hotels give promotions packages in green season (low season) starts from June to August. Due to dramatically raise visitors, hotel room shortage is emerged in peak season (high season) from September to May.

Regional authorities and MOHT lay down the tourism-related plans for the development of Chaung Thar and Ngwe Saung beach towns. Chaung Thar is popular with locals and Ngwe Saung is increasingly attractive to tourists. Most hotels in Ngwe Saung shoreline are bungalow-type hotels staffed by well-trained personnel. However, Chaung Thar is more crowded and less cleanly. All beach hotels are all locally owned. High-quality hotels are currently set up along the beach but poor infrastructure, insecurity and poor marketing of tourist destinations are the weakness in Chaung Thar and Ngwe Saung beach tourism and also impacts on hotel performance.

3.2 Departmental Structure of Hotels in Chaung Thar and Ngwe Saung

All highly star-rated hotels in Chaung Thar and Ngwe Saung divide responsibilities into different functions in a departmental structure. With the purpose of providing accommodation and hospitality services, hotels organize front office departments and back office departments. In the hotel SC, front office and back office departments are working together to achieve objectives and also help reciprocally to be smooth and efficient in operations of hotels. The primary departments of all beach hotels are housekeeping department, F & B service department, food production department and FO department. These four main departments are essential operational departments for daily operations. All beach hotels also organize secondary departments such as sales department, personnel department, accounting department, security department, finance department, marketing department, engineering department, purchase and store department to perform general management in hotel operations.

Housekeeping department provides a clean (bedroom and bathroom, public areas, linen), comfortable (furniture, curtains, air conditioning, enough lights), attractive (decoration of rooms, public areas, floral arrangement), good state of repairs (room checking, maintenance report, replacement of furniture) and welfare of guest and staff (lost property, giving first aid, prevention of fire, safe keeping of keys). Housekeeping department coordinates with FO department to report daily room attendance data, personnel department for hire, fire, and train housekeeping staffs, engineering department for repairing housekeeping materials, purchase department for acquiring housekeeping commodities, F & B department for laundering and exchanging table linen, security department for securing all in-house guests and store department for providing daily requirements.

F & B service department involving restaurant, bar, banqueting delivers the delicious meal and beverages to guests/customers when receiving the orders from guests/ customers. This department coordinates with F & B production department for delivery of F & B hygienically and timely, FO department for informing room reports, kitchen stewarding for cleaning and polishing the kitchen products, purchase department for buying F & B service accessories, housekeeping department for exchanging linen and cleaning all outlets, engineering department for repairing the electrical equipment and checking air condition, account department to record accounts, funds, ledgers, personnel department for hire and fire F & B service staffs, sales department for banquet reservations.

Food production department prepares delicious meal by cooking raw food materials such as sea foods and then serve F & B to guest staying in hotel. This department coordinates with marketing department to advertise hotel restaurant's menu and hotel services, personnel department for hire and train kitchen staffs, account and finance department to monitor financial activities, security department for safety hotel guests and employees, engineering department for repairing and maintaining all machinery and equipment, purchase department for procuring food materials and store department for storing these food materials.

FO department mostly interact with a guests from reservation stage to check-out stage and also create two-third of income by selling vacant ready rooms. This department comprises of FO manager, reservation manager, receptionist, reception cashier, night auditor, phone operator, bell boy and driver. Reservation, guest service, check-in, check-out, telephone, cashiering, room assignment and inquiry are the core

duties for this department. Therefore, FO department is the center of hotel operations for interaction with all hotel departments.

Furthermore, star rating of all beach hotels are defined on hotel's building facilities (spa, car parking, swimming pool), room facilities (television, bathtub, mini bar), availability services (event service, catering service, beach sport service) and other equipment. All beach hotels receive main income from room and catering service, and then also obtain some profits from minibar, laundry, entertainment, spa, karaoke, gym, massage, and remembrance shops. To provide all hotel services, hotels operate with collaboration of front office and back office. However, some large hotels' back office operations such as HR, account, marketing, and purchase are implemented in Yangon Head Office. Most beach hotels establish major customer contact departments in Chaung Thar and Ngwe Saung.

3.3 Supply Chain Management Practices of Hotels in Chaung Thar and Ngwe Saung

Nowadays, hotels in Chaung Thar and Ngwe Saung recognize SCM as one of the most significant strategies for competitive market of hotels. SCM of hotels is extremely complex because of multiple stakeholders, perishable goods and large amount of inventories. Not only new legislation, changes of customers' tastes and new marketing technologies but also seasonally demand makes hotel SCM difficult to forecast requirements accurately. Besides that, sales volume are also concerning with the season in beach resorts. All beach hotels' demand increases mostly in the summer. Therefore, hotels forecast the demand changes not to occur the supply shortages in this summer. In the rainy season, hotel sales volume generally drops by 75 percent. Thus, hotels try to know customers' preferences and then product flow, fund flow and information flow are needed to effectively manage by hotel managers.

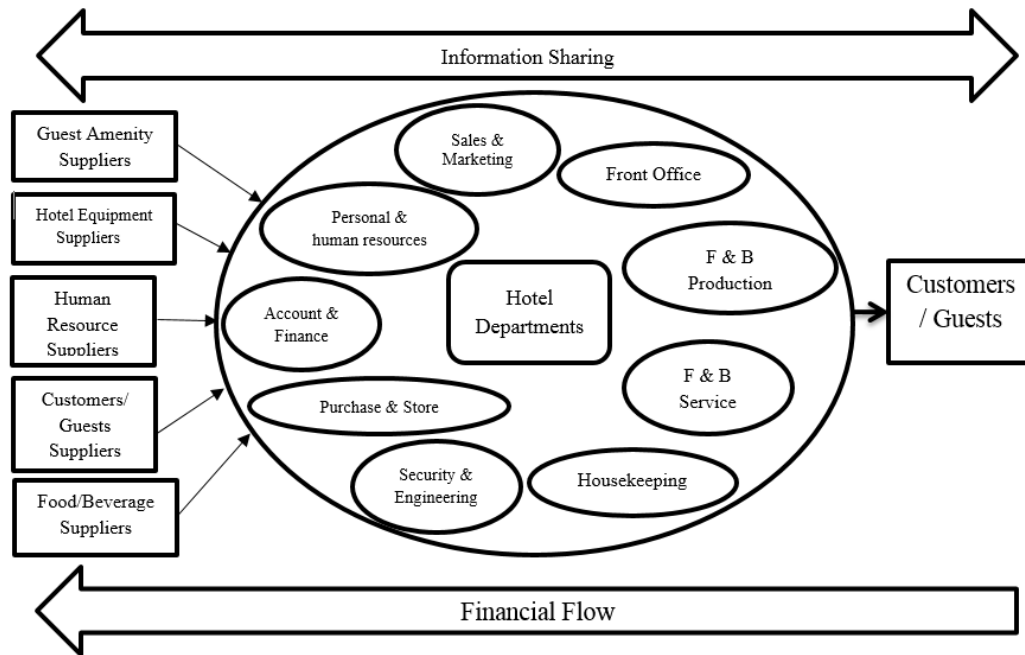
Hotels manage their SC with the cooperation of manufacturing SCM and service SCM because physical and intangible resources are interrelated and complex in hotels. Hotel products are tangible products such as rooms and intangible products such as warm greeting. Hotel SC starts from ordering, purchasing goods and materials, distributing these goods and materials to hotel rooms and delivering to the guests.

Procurement is the tenet of overall SCM. Procurement department buys necessary room facilities, furniture, service facilities, toiletry accessories, linens, food

and beverages etc. Besides that this department is highly keep in touch with multiple suppliers such as toiletry products supplier, furniture and equipment suppliers, hotel equipment suppliers, guest amenities suppliers, customers/ guest suppliers, food raw material suppliers, hotel room facilities suppliers, catering accessories suppliers, beverages suppliers, stationery products suppliers, technology suppliers, and employee suppliers etc. because it also estimates demand and handles payment for supply products. Therefore, this department also administers to maintain long-term relationship with chief suppliers because hotel suppliers are resource providers for hotel survival. Among suppliers, procurement manager selects suppliers in comparison with cost and quality and also orders the required resources from selected suppliers. When the ordered goods are reached in hotels, procurement manager records these goods and then, sends to store keeper to keep in warehouse. However, this whole purchasing and storing process is controlled by procurement officer. Besides that procurement manager also negotiates suppliers to contract for goods and materials and then, keep accurate records. These results are sent to the account department to monitor, report, and control the daily costs and sales of hotels.

Hotels provide hospitality services to customers by utilizing resources such as goods, materials, employees, monies, technologies etc., in each main hotel departments. Housekeeping department require cleaning products, housekeeping products, toiletry products, complementary products to fulfill the needs of guests in staying the hotel and also need decorated floral products for event services. F & B production department requires F & B goods, food preparation facilities, cooking equipment, serving facilities, storage facilities, and miscellaneous facilities to provide delicious meals to customers. F & B service department requires indoor furniture (tables, chairs, lockers), outdoor furniture (bar chairs, dining sets, day beds), fixture (air-conditioners, sinks, televisions) and fittings (paintings, mirrors, curtain rails,), tableware (crockery, glassware, linen) to provide catering services to customers. FO department requires telephone, credit card device, reception desk, computer etc., to quickly provide guests expectations. Hotel secondary departments mostly require technology, stationery, professional staffs, internet connection, computer, accounting software, etc.

Figure (3.1) Supply Chain Process with Departmental Structure of Hotels in Chaung Thar and Ngwe Saung



Source: Survey data (2020)

Figure (3.1) shows the SC process with departmental structure of hotels in Chaung Thar and Ngwe Saung. Hotel equipment suppliers provide kitchen equipment, catering equipment, room equipment. Guest amenities suppliers provide toiletries, personal care, and coffee kit. F & B suppliers provide seafood, meat, dairy products, tea, soft drinks, alcoholic beverages, drinking water, fruits and Myanmar traditional desserts. Guest suppliers such as travel agencies connect travellers with hotels. Human resource suppliers provide workers who have excellent hospitality services. These all suppliers support required products and services to hotel. Hotel's back office operations receive these products and services from suppliers and then sent to front office operations. The main four hotel departments apply these goods, materials, people, and technology in daily operations. Then, they provide the final services to guest by utilizing these resources.

All hotel SCM practices are under control of relevant departmental managers who are driving SC functions. These functions include purchasing, stock tracking, distributing to each department, and service production. All beach hotels have not established SCM department. However, they have established purchase and store department which perform the same duties of SC departments. Procurement manager controls purchasers and store keepers to manage the flow of stocks. Besides that, each

departmental manager also manages SCM functions of hotels by using stocks in each department.

All beach hotels utilize SCM concepts in several functions of hotels including housekeeping, front office, food and beverage service, food production, HR, accounting, sales, marketing, engineering, finance, purchasing, receiving, and warehousing. This concept is implemented well across all operational hotel departments. However, all hotels face challenges to implement SCM department due to a lack of understanding SCM concept and ICT infrastructure and weak surrounding infrastructure. Hotels make it difficult to have uniformity in SCM processes because of demand variability. By reason of a variety of resources leading to numerous suppliers, supplier performance is also a challenge in SCM. All of these challenges have led to customer complaints and higher operational costs for hotels.

3.3.1 Strategic Supplier Partnership

Toiletry products suppliers, food raw materials suppliers, sea food suppliers, beverage suppliers, complimentary suppliers, and linen suppliers are the main suppliers of beach hotels. Hotel procurement manager selects suitable suppliers who can provide high quality and reasonable price of goods and materials. Most beach hotels select suppliers in prior quality because good quality products ensure to improve hotel image and service standard. Hotel suppliers are also reliable partners to support service operations and thus, all hotels usually work with main suppliers by maintaining long-term supplier relationships to build mutual trust with suppliers. All beach hotels cooperate with vital suppliers by making three months, six months and one year contracts. However, they usually sign long-term contracts with main suppliers to ensure a steady stream of goods because they fear a shortage of main materials. Most beach hotel suppliers are local suppliers and thus, hotels order goods and materials from their suppliers by way of in person or telephone. Most obstacles such as product shortage, product quality, deliver dependability and customer complaints are regularly solved with suppliers who support the required products in hotels. Besides that, all hotels plan their long-term operational activities in alliance with departmental managers, owners and suppliers to import their products flow into hotel's operations. Furthermore, hotels share vision such as adapting customer demands, expectations of quality, pricing for products jointly with suppliers. Hotels and main suppliers share business risk because their services are aligned with buyer-

supplier relationship. Therefore, hotel suppliers often suggest hotel service quality improvement to stay alive in fierce hotel market.

3.3.2 Information Sharing Level

All beach hotel operations are based on seasonal demand. Therefore, all hotels share important information within multiple suppliers, transport enterprises, government agencies for hotels and tourism, personnel, tour companies, owner and customers to make effective decisions for hotel activities. Therefore, most beach hotels regularly hold annual meetings to exchange information such as monthly sales results, occupancy rate, revenue data, and review data with their partners. Besides that, procurement officer inform to supply partners relating to inventory levels, SC disruptions and hotel market conditions. All hotels also inform operational knowledge to employees to get better working performance. Hotels normally share proprietary information, business plan information, changing needs to owner and general managers, however, marketing conditions and forecasting hotel room prices, packages, services are informed to travel and tour agencies. Some hotels exchange hotel's planning, goals and objectives within few main partners however, others cannot.

3.3.3 Information Sharing Quality

All beach hotels share information by holding meeting and using telephone and mail because of electricity supply shortage. Therefore, these hotels cannot use software system for information sharing automatically. However, all beach hotels share information adequately for efficient operations and then also share timely sharing information to prevent disruption in supply side. Besides that, hotels exchange timeliness and accuracy information to estimate sales in upstream level and then also share timely sharing information to prevent disruption in supply side. Besides that, hotels exchange timeliness and accuracy information to estimate sales from suppliers. Then, they also share reliable and accurate customer orders to forecast customer demands and fulfill customer expectations. However, beach hotels have weakness in data sharing because they cannot use the technology effectively.

3.3.4 Inventory Management

All hotels in Chaung Thar and Ngwe Saung manage inventories with manual system because of full time electricity cannot provide by MOEE. Therefore, they cannot use inventory tracking software. Cause of electricity shortage, their software linkage can be broken. Therefore, store keeper and room division manager have the main responsibility to manage inventories in hotels. Therefore, hotels recruit many employees to manage inventory. All beach hotels manage vacant ready room by connecting FO department and housekeeping department because these rooms are highly perishable products and strictly limited supply. Hotels also manage housekeeping inventories, hotel linen inventories, hotel food service inventories by keeping records and tracking information and hotel's perishable food inventories are stored in refrigerators and replenished every day or supplier delivery day. Most beach hotels categorize inventories into diverse levels of control for different categories to cut down the cost involved in checking all inventory items. Besides that, hotels forecast demand for inventories to order and keep records of stock usage rates for business decision making. Hotel tracks the stock expense in store to know holding cost, obsolescence cost, etc. Hotels cooperatively control stocks with the vendor. It assists to monitor inventory level and reduce stock shortage. To manage room inventory and stored inventories, hotels also dedicate professional staffs.

3.3.5 Postponement Practices

Most beach hotels implement postponement practices to reduce risk. Most beach hotels purchase perishable food raw materials, sea food products and beverages based on customer order for preventing the expired and obsolete conditions. Besides that they purchase toiletry products, complimentary products, room accessories, and linen products dependent on seasonal demand to reduce wastage conditions. Hotels also delay the food production to provide customizes meal and beverages until the order is received. All beach hotels prepare event services included wedding, meeting, and party when they receive a part payment from customers because they invest large amount for event decorations and food and beverage productions for many people. Therefore, customers need to book events services for three days and paid part payment in advance for these services. Besides that, hotels also postpone to price for customize events until the customers choose the service package to prepare floral arrangement, entertainments and decoration in compatible with their desires.

Nowadays, all beach hotels struggle to reduce risk in operations. Beach hotels have different nature with downtown hotels because these hotels depend on seasonal. Thus, all beach hotels apply postponement practices because these hotels have more chances to face many risks.

3.3.6 Lean Supply Chain Practice

Most hotels in Chaung Thar and Ngwe Saung implement lean SC practice mostly in housekeeping department for reduction of housekeeping supplies stocks wastage and F & B departments for minimizing tremendous food raw material supplies. Besides that, all beach hotels work with few suppliers to reduce extra cost for choosing suppliers and to be reliable because of maintaining buyer-supplier relationship. Hotels also reduce time wastage including waiting time, servicing time, and lead time in SC operations consisting of ordering, receiving, purchasing, storing, and servicing. All beach hotels utilize historical data such as previous year's demand to eliminate wastes in SC operations. Besides that, all hotels ensure effective logistics system when required products are transported from suppliers. Beach hotels cannot aggregate all hotel requirements and procure at once however; they buy toiletry products, complimentary products, and linen products for quarterly and perishable foods for daily.

3.3.7 Customer Relationship

All beach hotels respect their hotel guests' convenience and try to fulfill guests' needs. Hotels care customers/ guests before, during, and after their stay. Most customers for beach hotels are leisure travellers and group travellers. Therefore, hotels provide hospitality services intend to relax such as recreational activities, sports, spa, karaoke, massage, swimming pool etc. and also provide food services such as sea food special menus. Besides that, FO department gathers historical data, financial data, and conversation data relating to guests. By keeping records of customers, hotels send greeting messages, thank you messages, and booking information to customers with the social media. Therefore, all beach hotels usually interact with guests to achieve reliability and responsively for customers' requirements and also solve the customer complaints carefully. Besides that, these beach hotels request customer feedback to repair their requirements in fulfilling services by interviewing each customers and sending review expressions

questionnaire mail. When hotels receive customer feedback, they repair their requirements to meet customers' desires. Besides that, most hotels also supply customized services with the aid of maintaining customer relationship. By sharing information within customers and hotel, hotels can easily evaluate customer enjoyment and resolve future customer expectations and then, facilitate services to get aid for customers.

CHAPTER IV
ANALYSIS OF THE EFFECT OF SUPPLY CHAIN MANAGEMENT
PRACTICES ON ORGANIZATIONAL PERFORMANCE
OF HOTELS IN CHAUNG THAR AND NGWE SAUNG

In this chapter, the results finding from analysis of the survey data are submitted with seven sections. The first section is concerned about research design for this study and the second section pointed out general information relating to personal factors of managers and profile of hotels. Reliability test are described in third one. Respondents' perception on SCM practices of hotels are described in fourth section and organizational performance of hotels is presented in fifth section. In sixth section, correlation of SCM practices and organizational performance of hotels are stated. In the last section, the effect of SCM practices on organizational performance of hotels is described.

4.1 Research Design

The objectives of the study are to explore SCM practices of hotels and to analyze the effect of SCM practices on organizational performance of hotels in Chaung Thar and Ngwe Saung. To complete these objectives, primary data was applied to obtain information and opinions directly and specifically from hoteliers. Then these primary data were analyzed with the assistance of statistical approaches. Descriptive analysis was applied in order to reveal data quality and multiple regressions analysis was employed to find out the effect of SCM practices on organizational performance.

As a tool of research instrument, structured questionnaires have been utilized to obtain data by telephone survey method and face to face data collection method. In this study, questionnaires were organized by using a variety of previous studies related to the topic. All variables were constructed 64 questions by applying Likert Scale measurement. It was organized into three sections.

Section A consisted of 10 questions regarding the general information related to hotels and managers. Section B was designed to sampled managers' agreement level about SCM practices such as strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship. There are total of 49 questions under this section.

Section C was constructed to sampled managers' agreement level about the organizational performance of hotels which was measured by 5 questions. A five-point Likert scale has been used in section B and C to measure organizational performance on SCM practices.

4.2 General Information of Hotels and Respondents

This study described the analysis on general information including the personal factors of managers and profile of hotels. The personal factors of managers are explained in Table 4.1 and profile of hotels is explained in Table 4.2. The general information was analyzed by 10 sub heading; gender, age, marital status, education, service years, position, monthly salary, hotel size, hotel location and hotel lifetime were classified in section A. 100 managers who are working in hotels are selected for this study. All the data obtained from the questionnaires collected are interpreted and summarized in frequency and percentage distribution. The frequency analysis of selected hotel's general information is illustrated through the table of frequency counts, and their respective percentage.

Table (4.1) Personal Factors of Hotel Managers

Personal Factors	Number of Managers	Percentage (%)
Gender		
Male	69	69
Female	31	31
Total	100	100
Age (Years)		
20-30 years	10	10
31-40 years	33	33
41-50 years	39	39
Above 50 years	18	18
Total	100	100
Marital Status		
Single	33	33
Married	67	67
Total	100	100

Education		
Graduate	73	73
Master	27	27
Total	100	100
Service Year		
Under 5 years	12	12
5-10 years	54	54
Over 10 years	34	34
Total	100	100
Position		
Hotel General Manager	50	50
Procurement Manager	50	50
Total	100	100
Monthly Salary (MMK)		
100,000-300,000 MMK	2	2
300,001-600,000 MMK	20	20
600,001-900,000 MMK	43	43
Above 900,000 MMK	35	35
Total	100	100

Source: Survey Data, 2020

As stated by the Table (4.1), 69% were male managers and 31% were female managers. Therefore, male managers are higher than female managers in hotels. Among 100 managers, 39% of managers were between 41 and 50 years, 33% of managers were between 31 and 40 years, 18% of managers were above 50 years and 10 % of managers were between 20 and 30 years. Then, 67 % of managers were married while 33 % of managers were single. Hotels require skillful persons to effectively accomplish hotel SC operations. 73% of managers were graduated person and 27% of managers were master degree holder. Therefore, most hotel managers were graduated person because hotels are required to maintain experienced managers because of solving internal problems and managing hotel operations. To be competent for managing operations, 54 % of managers have worked for their hotels between 5 and 10 years, 34% of managers have worked over 10 years and 12 % of managers have worked in hotels less than 5 years. Hotel general manager and procurement manager were included in this study because these positions mainly operate in SCM

practices. Half of the respondents were hotel general managers and others were hotel procurement managers. Respondents were chosen for two managers in each hotel. 43% of managers were received between 600,001 and 900,000 MMK, 35% of managers were received above 900,000 MMK, 20 % of managers were received between 300,001 and 600,000 MMK, and 2% of managers were received between 100,000 and 300,000 MMK. Monthly salaries are depended on the duties and responsibilities in hotel operations and hotel size.

Table (4.2) Profile of Hotels

Profile	Number of Hotels	Percentage (%)
Hotel Star Rating		
Three star	26	26
Four star	21	21
Five star	3	3
Total	50	50
Hotel Location		
Chaung Thar	24	24
Ngwe Saung	26	26
Total	50	50
Hotel Lifetime		
Under 5 years	6	6
5-10 years	6	6
11-15 years	16	16
Over 15 years	22	22
Total	50	50

Source: Survey Data, 2020

As stated by Table (4.2), hotel star rating can be categorized into one-star (cheap hotel), two-star (standard hotel), three-star (superior hotel), four-star (first-class hotel), five-star hotel (luxury hotel) based on hotel services and facilities. In this study, three-star, four-star, five-star hotels are selected. Out of 50 hotels, 26% are three-star hotels, 21% are four-star hotels, and 3% are five-star hotels. Among 50 hotels, 26% are situated in Ngwe Saung and 24% are situated in Chaung Thar. These two beaches were opened in 2000. Therefore, hotel lifetime is important for this study

to know long-term relationships with customers and suppliers. 22% of hotels were over 15 years, 16% of hotels were between 11 - 15 years, 6% of hotels were between 5 - 10 years, and 6% of hotels were under 5 years.

4.3 Reliability Test

Zikmund (1997) pointed out reliability test is important to be aware of measuring results are free random random error and Sekaran (2003) also suggested that measurements are needed to be reliable for coherence results. This study uses Cronbach's Alpha to measure internal consistency. The Cronbach's Alpha values of SCM practices and organizational performance of hotels are described in Table (4.3).

Table (4.3) Reliability Test from Manager Responses on Scale Items

Sr. No.	Variables	Cronbach's Alpha	No. of Items
1	Strategic Supplier Partnership	0.701	8
2	Information Sharing Level	0.824	9
3	Information Sharing Quality	0.876	8
4	Inventory Management	0.702	7
5	Postponement	0.701	5
6	Lean Supply Chain Practice	0.701	5
7	Customer Relationship	0.711	7
8	Organizational Performance	0.794	5

Source: Survey Data, 2020

As stated by Table (4.3), Cronbach's Alpha values for strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice, customer relationship and organizational performance are higher than acceptable score of 0.7. Hence, the reliability of data for these variables is acceptable.

4.4 Respondent Perception on Supply Chain Management Practices of Hotels

Managers' perceptions on seven dimensions of SCM practices are analyzed in this section. These seven dimensions of SCM practices namely strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, and lean SC practice and customer relationship are

measured with 49 statements. Each statement for SCM practices is measured on five-point Likert scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree).

4.4.1 Respondent Perception on Strategic Supplier Partnership

Strategic supplier partnership has been identified as one of the managerial tools that enhanced organizational performance. In this study, manager's perception of strategic supplier partnership is measured by 8 questions. To find out their agreement level by using statements related to strategic supplier partnership, the mean and average mean score of each statement in strategic supplier partnership are found and the results are expressed in Table (4.4).

Table (4.4) Respondent Perception on Strategic Supplier Partnership

No.	Statements	Mean	Std. Dev
1	Considering quality in selection of suppliers	4.54	0.57595
2	Solving problems jointly with suppliers	3.74	0.77355
3	Sharing visions with suppliers	3.62	0.88512
4	Sharing business risk jointly	3.86	0.94302
5	Drawing up plans and goal setting with suppliers	4.21	0.84441
6	Maintaining long-term relationship with suppliers	4.22	0.84781
7	Giving suggestions for hotel quality improvement by suppliers	3.85	0.95743
8	Building mutual trust with suppliers	4.36	0.68931
Overall Mean		4.05	

Source: Survey Data, 2020

As stated to Table (4.4) explained that the statement of considering quality in selection of suppliers had the highest mean of 4.54, indicated that the most respondents are agreed with that statement. The statement of sharing visions with suppliers had the lowest mean which was 3.62. However, the overall mean values for strategic supplier partnership is 4.05 which is greater than the statistical mean scores. Therefore, it can be concluded that managers are agreed strategic supplier partnership conducted by beach hotels.

4.4.2 Respondent Perception on Information Sharing Level

Many hotels fail to comprehend the significance of information sharing level for organizational performance. However, information sharing level is mostly important variable in SCM practices which impact on organizational performance of hotels because it helps to make effective decisions in hotel operations leading to better resource utilization and lower SC costs and thus, improves the hotel organizational performance. Managers' perception of information sharing level is measured by 9 questions. To realize their agreement level with the statements related to information sharing level, the mean and average scale score of each statement in information sharing level is found and the results are described in Table (4.5).

Table (4.5) Respondent Perception on Information Sharing Level

No.	Statements	Mean	Std. Dev
1	Sharing proprietary information with partners	3.62	0.97214
2	Exchanging business plan information with partners	3.61	0.85156
3	Discussing and forecasting market conditions with partners	4.18	0.77041
4	Sharing core business knowledge with partners	3.98	0.90988
5	Informing partners in prior to changing needs	3.56	0.96735
6	Discussing supply disruptions with partners	3.93	0.93479
7	Holding meetings to inform partners	4.66	0.55450
8	Sharing information about inventory levels with suppliers	3.62	0.90766
9	Sharing information about new product/ service developments with key partners	4.37	0.81222
Overall Mean		3.95	

Source: Survey Data, 2020

As stated by Table (4.5), the statement of holding meetings to inform partners had the highest mean of 4.66, indicated that most respondents are agreed with that statement. The statement of informing partners in relation to changing needs had the lowest mean which was 3.56. But the overall mean values for information sharing level is 3.95 which is greater than the statistical mean scores 3, it can be conclude that

hotels in Chaung Thar and Ngwe Saung have good information sharing level among SC partners.

4.4.3 Respondent Perception on Information Sharing Quality

Information Sharing Quality is also important variable in SCM practices. Managers' perception of information sharing quality is measured by 8 questions. To reveal their agreement level with the statements related to information sharing quality, the mean and average scale score of each statement in information sharing quality is found and the results are explained in Table (4.6).

Table (4.6) Respondent Perception on Information Sharing Quality

No.	Statements	Mean	Std. Dev
1	Timely information flow with SC partners	4.34	0.78135
2	Accurately information flow with SC partners	4.32	0.83943
3	Completely information flow with SC partners	4.29	0.83236
4	Reliably information flow with SC partners	4.16	0.81303
5	Adequately information flow with SC partners	3.73	0.85108
6	Promptly information flow with SC partners	4.59	0.72607
7	Properly information flow with SC partners	4.64	0.54160
8	Regularly information flow with SC partners	4.52	0.71746
Overall Mean		4.32	

Source: Survey Data, 2020

As stated by Table (4.6), the statement of properly information flow with SC partners had the highest mean of 4.64, indicated that most respondents are agreed with that statement. The statement of adequately information flow with SC partners had the lowest mean which was 3.73. But the overall mean values for information sharing quality is 4.32 which is greater than the statistical mean scores 3, it can be conclude that beach hotels have good information sharing quality among SC partners.

4.4.4 Respondent Perception on Inventory Management

Inventory management is the major component in SCM and impacts mostly on organizational performance of hotels. Hotels are needed to manage multiple inventories. In this study, 7 questions are selected to measure inventory management.

To expose managers' agreement level with the statements related to inventory management, the mean and average scale score of each statement in inventory management is found and the results are portrayed in Table (4.7).

Table (4.7) Respondent Perception on Inventory Management

No.	Statements	Mean	Std. Dev
1	Categorizing inventories in terms of value	4.67	0.51355
2	Integrating stock management system with the vendor	3.54	0.74427
3	Forecasting demand for the inventory	4.54	0.53973
4	Dedicating professional staffs to manage rooms and stocks	4.5	0.71774
5	Pre-defining reorder level for all stocks	4.74	0.46319
6	Tracking the cost of stock in store	4.05	0.79614
7	Keeping records of stock usage rates for decision making	4.46	0.75772
Overall Mean		4.36	

Source: Survey Data, 2020

As stated by Table (4.7), the statement of pre-defining reorder level for all stocks had the highest mean of 4.74, indicate that most respondents are agreed with that statement. The statement of integrating stock control system with the vendor had the lowest mean which was 3.54. However, overall mean values for inventory management is 4.36 which is greater than the statistical mean scores 3, it can be conclude that hotels in two beaches have good inventory management practice.

4.4.5 Respondent Perception on Postponement

Postponement practices are important to reduce risks in operations. Managers' perception on postponement is measured by 5 questions. To disclose managers' agreement level with the statements related to postponement, the mean and average scale score of each statement in postponement is found and the results are described in Table (4.8).

Table (4.8) Respondent Perception on Postponement

No.	Statements	Mean	Std. Dev
1	Postponing the purchase of perishable food raw materials	4.23	0.80221
2	Postponing F & B production	4.37	0.76085
3	Postponing pricing for customize events	4.46	0.75772
4	Postponing preparing decoration for event services	4.67	0.63652
5	Postponing F & B production for event services	4.65	0.65713
Overall Mean		4.48	

Source: Survey Data, 2020

As stated by Table (4.8), the statement of postponing preparing decoration for event services until the receipts of part payment in advance from customers had the highest mean of 4.67, indicate that most respondents are agreed with that statement. The statement of postponing purchasing perishable food raw materials until customer demand becomes available had the lowest mean which was 4.23. However, overall mean values for postponement is 4.48 which is greater than the statistical mean scores 3, it can be conclude that hotels in two beaches practiced postponement activities.

4.4.6 Respondent Perception on Lean Supply Chain Practice

Implementing a lean SC can reduce unnecessary processes and thus, it reduces wastes, costs, risks. Therefore, it is one of the important variables for improving organizational performance of hotels. 5 questions are chosen to measure lean SC practice. To reveal their agreement level with the statements related to lean SC practice, the mean and average scale score of each statement in lean SC practice is found and the results are expressed in Table (4.9).

Table (4.9) Respondent Perception on Lean Supply Chain Practice

No.	Statements	Mean	Std. Dev
1	Working with a few suppliers	4.54	0.59323
2	Performing internal SC process to improve efficiency	3.82	0.95748
3	Aggregating all hotel requirements and procuring at once	3.19	0.88415
4	Ensuring effective logistics system	4.33	0.69711
5	Reducing time wastage in SC operations	4.47	0.61060
Overall Mean		4.07	

Source: Survey Data, 2020

As stated by Table (4.9), the statement of working with a few suppliers had the highest mean of 4.54, indicate that most respondents are agreed with that statement. The statement of aggregating all hotel requirements and procuring at once had the lowest mean which was 3.19. It is little neutral practice. However, the overall mean values for lean supply chain practice is 4.07 which is greater than the statistical mean scores 3, it can be conclude that the hotels in two beaches have implemented the lean SC practice.

4.4.7 Respondent Perception on Customer Relationship

Customer relationship is an essential variable to be considered in the study of organizational performance. Managers' perception of customer relationship is measured by 7 questions. To describe managers' agreement level with the statements related to customer relationship, the mean and average scale score of each statement in customer relationship is found and the results are shown in Table (4.10).

Table (4.10) Respondent Perception on Customer Relationship

No.	Statements	Mean	Std. Dev
1	Interacting customers to achieve reliability	4.86	0.34874
2	Interacting responsively with customers	4.79	0.40936
3	Requesting customer feedback relating to hotel service	4.78	0.46232
4	Measuring and evaluating customer satisfaction	4.69	0.52599
5	Determining future customer expectations	4.7	0.55958
6	Facilitating services to get assistance for customers	4.53	0.64283
7	Maintaining long-term customer relationship	4.78	0.41633
Overall Mean		4.73	

Source: Survey Data, 2020

As stated by Table (4.10) explained that the statement of interacting customers to achieve reliability had the highest mean of 4.86, indicated that the most respondents are agreed with that statement. The statement of facilitating services to get assistance for customers had the lowest mean which was 4.53. However, the overall mean values for customer relationship is 4.73 which is greater than the statistical mean scores. Therefore, it can be concluded that managers are agreed customer relationship maintained by beach hotels.

4.5 Respondent Perception on Organizational Performance of Hotels

Organizational performance is the key measurement that indicates business success. In this section, measurement of central tendencies is to show the mean value of five-point Likert scale constructs. Total 5 statements are measured using five-point Likert scale ranging from strongly disagrees to strongly agree. The information on the organizational performance of hotels is presented in Table (4.11).

Table (4.11): Respondent Perception on Organizational Performance of Hotels

No.	Statements	Mean	Std. Dev
1	Increasing sale volume in 2019 compared to 2018	4.04	0.77746
2	Increasing occupancy rate in 2019 compared to 2018	4	0.76541
3	Increasing ROI rate in 2019 compared to 2018	3.53	0.71711
4	Increasing on operating profit in 2019 compared to 2018	3.97	0.73106
5	Reducing costs in operations by using SCM practices	4.34	0.72780
Overall Mean		3.98	

Source: Survey Data, 2020

As stated by Table (4.11) described that the mean value of all statement regarding the organizational performance are greater than three and overall mean values for organizational performance is 3.98. Therefore, it can be concluded that organizational performance is improved in beach hotels.

4.6 Relationship between Supply Chain Management Practices and Organizational Performance of Hotels

Correlation is statistical technique that can show whether and how strongly variables are related. The correlatuion coefficient range from -1.0 to +1.0. If the value is 0, there is no correlation between variables. The relationship between independent variables (strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship) and dependent variable (organizational performance of hotels) are tested. The results of Pearson correlation coefficient are shown in Table (4.12).

Table (4.12) Relationship between Supply Chain Management Practices and Organizational Performance of Hotels

Sr.No	Description	Pearson Correlation Coefficient	P Value
1	Strategic Supplier Partnership	0.497***	0.000
2	Information Sharing Level	0.596***	0.000
3	Information Sharing Quality	0.47***	0.000
4	Inventory Management	0.346***	0.000
5	Postponement	-0.011	0.910
6	Lean Supply Chain Practices	0.533***	0.000
7	Customer Relationship	0.404***	0.000

Source: Survey Data, 2020

As stated by Table (4.12), the results showed that strategic supplier partnership, information sharing level, inventory management, lean SC practices and customer relationship were significantly related to organizational performance of hotels at 1% level. Information sharing quality and postponement were not significantly related to organizational performance of hotels.

4.7 The Effect of Supply Chain Management Practices on Organizational Performance of Hotels

This study is analyzed the effect of SCM practices (strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship) on organizational performance of hotels. All the data types and sample size are consistent with the assumptions of multiple linear regression statistics. Since all assumptions are met, the test is continued to analyse the effect of SCM practices (strategic supplier partnership, Information sharing level, Information sharing quality, inventory management, postponement, lean SC practice and customer relationship) on organizational performance of hotels. The outcomes of the study are also described in Table (4.13).

Table (4.13) The Effect of Supply Chain Management Practices on Organizational Performance of Hotels

Independent Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error				
(Constant)	0.164	0.775		0.218	0.828	
Strategic Supplier Partnership	0.125**	0.068	0.199	1.841	0.050	1.805
Information Sharing Level	0.226**	0.109	0.247	2.076	0.041	2.490
Information Sharing Quality	0.116	0.090	.128	1.288	0.201	1.747
Inventory Management	0.232**	0.110	.202	2.112	0.037	1.614
Postponement	-0.049	0.088	-.044	-.559	0.577	1.069
Lean Supply Chain Practices	0.183*	0.103	.148	1.768	0.080	1.233
Customer Relationship	0.189**	0.101	0.150	1.872	0.049	1.431
R				0.792		
R Square				0.627		
Adjusted R Square				0.601		
F				11.98*** (P-value = 0.000)		

Source: Survey Data, 2020

As shown in Table (4.13), R (the correlation between the dependent and the independent variables) is 0.792. Hence, SCM practices and organizational performance of hotels are correlated. R^2 (proportion of the variance in the dependent variable accounted by model) is 0.627 and adjusted R^2 is 0.601. This indicates those independent variables (strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship) can explain 60.1% percent variation in dependent variable (organizational performance), which is highly significant as indicated by F-value of 11.98.

It is found that there is effect of SCM practices (strategic supplier partnership, information sharing level, inventory management, lean SC practices and customer relationship) on organizational performance of hotels at 5% and 10% significant level.

If one point of strategic supplier partnership increased, 0.125 point in organizational performance increased. If one point of information sharing quality increased, 0.226 point in organizational performance increased. If one point of inventory management increased, 0.232 point in organizational performance increased. If one point of lean SC practices increased, 0.183 point in organizational performance increased. If one point of customer relationship increased, 0.189 point in organizational performance increased. By the results, level of information sharing, inventory management and strategic supplier partnership are the most influencing factor of organizational performance.

The result shows that information sharing level mostly affect organizational performance, i.e hotels which share important information among SC members may make the right decision relating to ordering, purchasing, production, delivering and accounting etc. Effective decision making is a key for the performance of hotel organization and it is beneficial to hotels and collaborated partners. By the results, inventory management is also a positively effect on organizational performance. Hotel room inventories are major revenue component and other types of inventories are obliged to effectively manage for boosting sale growth, reducing costs and improving profits and thus, it affects organizational performance. By the results, strategic supplier partnership also affect organizational performance. Suppliers are critical providers to perform hospitality services. By building reliance with suppliers, hotel receives suppliers' suggestions relating to products and market conditions. Suppliers' suggestions ensures reducing unnecessary costs and improving mutual profits because of buyer-supplier relationship. Therefore, good supplier partnership also effect on organizational performance of hotels. The results show that customer relationship affects organizational performance of hotels. Maintaining strong relationships with customers lead to increase efficiency and hotel reputation and then, hotels get competitiveness and more profits. Additionally, lean SC practice also effect on organizational performance because lean concept is the eliminating of wastes. Therefore, lean SC practices reduce costs and improve profits in organizational performance. As the results, these practices are essential for organizational performance, especially information sharing level effect on as the high level on organizational performance because organizational performance have the largest significant coefficient 0.226 with 5% significant level for organizational performance.

CHAPTER V

CONCLUSION

This chapter represents the summary of this study which is comprised of three segments. Findings and discussion expound in first segment. Second segment submits suggestions and recommendation. Finally segment portrays needs for further study.

5.1 Findings and Discussion

In Myanmar, tourism sector is progressively developing in comparison with the early periods. Therefore, the enlargement of hotel businesses in Myanmar is boosting with great intensity. In the midst of them, hotels in Chaung Thar and Ngwe Saung beaches are high demand today because of beach tourism development and convenient road and communications in this region. Therefore, these hotels are needed to upgrade their facilities and service quality. To keep pace with this high competition, hotels oblige to enhance service quality and reduce unnecessary costs. Thus, effective SCM practices are necessitated to implement these beach hotels.

The first purpose of this study is to explore SCM practices of hotels in Chaung Thar and Ngwe Saung. To accomplish the purpose, primary data are collected from 50 hotels with 100 managers worked in hotels as managers among total 54 hotels in Chaung Thar and Ngwe Saung by using simple random sampling method. Hotel general manager and procurement manager were included in this study. These two positions are major positions in SC process of hotels.

By the general information including hotels profile and personal factors of managers, male managers are higher than female managers. The majority age of managers is between 41 and 50 years and the minority age is between 20 and 30 years. Most managers are married and graduated level. According to hotel nature, majority jobs in hotel sectors are required the management skills and graduated educational level at least. Among managers worked at hotels, the majority service years in hotels is between 5 and 10 years. The two respondents; hotel general managers and hotel procurement managers are selected in each hotel. Managers who are working beach hotels earn the majority monthly salary between 600,001 and 900,000 MMK. The majority star-rating of hotels is three-star hotels and most hotels are located in Ngwe Saung. Most hotels were operated over 15 years because these two beaches were opened in 2000.

According to the main objective, the effect of SCM practices on organizational performance of hotels in Chaung Thar and Ngwe Saung is examined. Subsequently, multiple regressions are applied to explain the effect of seven independent variables on one dependent variable. The independent variables refer to strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practices and customer relationship. As an analysis, five facets of SCM practices have significant effect on organizational performance. The five practices including strategic supplier partnership, information sharing level, inventory management and lean SC practices and customer relationship are positively effect on the organizational performance of hotels. The two practices including information sharing quality and postponement practices are not significantly related to the organizational performance of hotels.

According to this survey, conclusions from the study point to the fact that SCM practices such as strategic supplier partnership, information sharing level, inventory management, lean SC practices and customer relationship have significant effect on organizational performance of hotels in Chaung Thar and Ngwe Saung.

Firstly, this study realized that strategic supplier partnership is significantly effect on organizational performance. It is perceived that hotels select suppliers in prior to quality and building mutual trust with suppliers. Therefore, they keep long-lasting supplier relationship and setting plans and goals with suppliers. Besides that they share business risk jointly and suggest hotel quality improvement by suppliers by sharing visions with suppliers.

Secondly, this study proved that information sharing level is mostly significant effect on organizational performance of hotels in Chaung Thar and Ngwe Saung. Therefore, hotels hold meetings weekly, monthly, annually to inform partners then they share the information about new product or service developments with key partners. Then, they discuss market conditions and forecasts of hotel markets with tour agencies and share core business knowledge within hotel partners. Then, when SC disruptions are evolved in hotel operations, they discuss this disruption with suppliers. Besides that, they also exchange business plan information and informing partners in prior to changing needs business plan information and informing partners in advance of changing needs.

Thirdly, this study found that information sharing quality does not have significant effect on organizational performance. Generally, hotels need more to treat

information flow properly, promptly, regularly, timely, accurately, completely, reliably and adequately within SC partners.

The Fourth variable, inventory management has a significant effect on organizational performance of hotels in Chaung Thar and Ngwe Saung. Most hotels pre-define reorder level for all stocks and they also categorize inventories with ABC analysis. Besides that they also forecast the demand for required inventory and thus, they dedicate professional staffs to manage stock by keeping stock usage records for decision making. They also track stock expenses in store and integrate stock control system with the vendor.

The fifth practice, postponement does not have a significant effect on organizational performance. However, hotels postpone preparing decoration services and F & B production for event services until the receipts of part payment in advance from customers. Besides that, hotels also postpone pricing customized events. They also postpone F & B production and purchasing perishable food raw materials.

The sixth variable, lean supply chain practice has a significant effect on organizational performance of hotels in Chaung Thar and Ngwe Saung. All hotels operate with a few suppliers and they follow by reducing time wastage in SC operations. They also ensure effective logistics system, and perform internal SC process including ordering, purchasing, storing, distributing to improve efficiency.

Finally, customer relationship has a significant effect on organizational performance. It is observed that hotels mostly interact customers to achieve reliability and responsively. Besides that, they maintain long-term customer relationship and determine future customer expectations by follow-up customer feedback. Then, they measure and appraise customer satisfaction, and also facilitate services to get assistance for customers.

In addition, this study found that five SCM practices are positively significant effect on organizational performance and two SCM practices are not significant on organizational performance. Among five SCM practices, information sharing level is the most effect on organizational performance. Managers make operational decisions based on sharing reliable information. Information sharing can improve SC efficiency by reducing extra stocks and smoothing operations. Thus, it also improves the organizational performance of hotels in Chaung Thar and Ngwe Saung.

5.2 Suggestions and Recommendation

This study suggests that hotels should implement SCM practices such as strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship because these practices can affect organizational performance.

This study found that strategic supplier partnership is positively related to organizational performance. A well-managed supplier relationship ensures improving efficiency with lower costs. Therefore, hotels should conserve considering quality in selection of suppliers followed by building mutual trust with suppliers, maintaining long-term supplier relationship, and drawing up plans and goal setting with suppliers to enhance organizational performance. Hotels should also implement giving suggestions for hotel quality improvement by suppliers, followed by solving problems jointly with suppliers, sharing business risk with a joint approach, and sharing visions with suppliers to improve organizational performance.

This study proved that information sharing level is positively related to organizational performance. Information is the facet to create decisions relating to hotel operations. Information gap affects the bad service operations according to uncertain decisions. Therefore, hotels should preserve holding meetings regularly to inform partners, sharing information about new product/service developments with key partners, discussing and forecasting market conditions with partners, sharing core business knowledge with partners, and discussing supply disruptions with SC partners to progress organizational performance. Hotels should also implement sharing information about inventory levels with key suppliers, informing partners in prior of changing needs, exchanging business plan information with partners and sharing proprietary information with partners to improve organizational performance.

This study found that inventory management has a positively significant impact on organizational performance. Extra inventories increase holding costs, opportunity costs, outdated products, etc. Therefore, hotels should keep pre-defining reorder level for all stocks, categorizing inventories with ABC analysis, forecasting demand of inventory, keeping records of stock usage rates for decision making, dedicating professional staffs to manage rooms and stocks, and tracking stock expenses in store to improve organizational performance. Hotels should implement integrating stock control system with the vendor to improve organizational performance.

This study observed that lean SC practice have a positively significant impact on organizational performance of hotels. Unnecessary steps and activities cause wastes and thus, it increases unnecessary costs. Therefore, hotels should uphold working with a few suppliers, reducing time wastage in SC operations, ensuring effective logistics system, and performing internal supply chain process to improve efficiency. Hotels should implement aggregating all hotel requirements and procuring at once to progress organizational performance.

This study revealed that customer relationship is positively related to organizational performance. Customers are the lifeblood of hotels for the survival in competitive market. Therefore, hotels should support interacting customers to achieve reliability followed by interacting responsively with customers, requesting customer feedback relating to hotel service, maintaining long-term client relationship, determining future customer expectations, measuring and evaluating customer enjoyment, and facilitating services to get assistance for customers to improve organizational performance.

In conclusion, hotels should facilitate SCM practices and more strive to comprehend SCM concept. Hotels should establish SCM department as one of the back office departments in hotels. High star-rated hotels require more to practice SCM with competent workers. SCM is the chief factor to improve obviously in organizational performance. The outcomes from this study would contribute to performance of hotels.

5.3 Needs for Further Study

This study focuses on the effect of SCM Practices on organizational performance of hotels in Chaung Thar and Ngwe Saung. This study were selected hotels in Chaung Thar and Ngwe Saung implemented by SCM practices hence need to conduct further research on hotel industry in Myanmar because SCM practices are growing importance among hotels in competitive environment. This study were chosen the SCM practices such as strategic supplier partnership, information sharing level, information sharing quality, inventory management, postponement, lean SC practice and customer relationship, hence need to conduct further research on SCM practices such as logistics management, procurement management, supplier development, information technology, and innovation. Besides that, this research studied most three-star hotels hence need to conduct further research for five-star

rating hotels in Myanmar. In addition, this study measured organizational performance of hotels who have adopted SCM practices such as sales volume, profit, ROI, occupancy rate, and cost reduction therefore, further research should be made the measurements of organizational performance of hotels such as quality, outcome, input, output, efficiency, satisfaction, adequacy, and advancement.

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APPENDIXES

The Effect of Supply Chain Management Practices on Organizational Performance of Hotels in Chaung Thar and Ngwe Saung

Questionnaire

Research Questionnaire

This survey is only concern with Master of Commerce (M.Com) conferred by Yangon University of Economics, not related with other business purpose. This study is about the effect of supply chain management practices on organizational performance of hotels in Chaung Thar and Ngwe Saung. Please kindly answer the following questions. The results of this study will contribute the improvement of hotel performance in the future. Thanks to give your precious time.

Section A: General Information

Please tick (Â) that matches your response to the questions where applicable.

1. Please specify your gender
 - a) Male ()
 - b) Female ()

2. How old are you?
 - a) 20 – 30 years ()
 - b) 31 – 40 years ()
 - c) 41 – 50 years ()
 - d) Above 50 years ()

3. Please specify your marital status
 - a) Single ()
 - b) Married ()

4. What is your highest level of education qualification?
 - a) Graduate ()
 - b) Master ()

5. How long have you worked in the hotel?
- a) Less than 5 years ()
 - b) 5- 10 years ()
 - c) Over 10 years ()
6. What is your position in hotel?
- a) Hotel General Manager ()
 - b) Procurement Manager ()
7. Please specify your salary
- a) 100,000 – 300,000 MMK ()
 - b) 300,001 – 600,000 MMK ()
 - c) 600,001 – 900,000 MMK ()
 - d) Above 900,000 MMK ()
8. What is the star rating of the hotel?
- a) Three star ()
 - b) Four star ()
 - c) Five star ()
9. Where is your hotel located?
- a) Chaung Thar ()
 - b) Ngwe Saung ()
10. For how long has the hotel been in operation?
- a) Under 5 years ()
 - b) 5 – 10 years ()
 - c) 11 – 15 years ()
 - d) Over 15years ()

Section B: Supply Chain Management Practices of Hotel

With regard to supply chain management practices, please circle the number that accurately reflects your hotel SCM practices. The item scales are five-point Likert type scales with 1= strongly disagree, 2= disagree, 3= neutral, 4 = agree, and 5 = strongly agree.

Strategic Supplier Partnership	Please circle the number that accurately reflects your hotel SCM practices.				
1. Hotel considers quality in selection of suppliers.	1	2	3	4	5
2. Hotel regularly solves problems jointly with suppliers.	1	2	3	4	5
3. Hotel shares visions with suppliers.	1	2	3	4	5
4. Hotel has a joint approach to business risk sharing.	1	2	3	4	5
5. Hotel draws up plans and goal setting with the help of suppliers.	1	2	3	4	5
6. Hotel maintains long-term relationship with suppliers.	1	2	3	4	5
7. Suppliers suggest hotel service quality improvement.	1	2	3	4	5
8. Hotel builds mutual trust with suppliers.	1	2	3	4	5

Level of Information Sharing	Please circle the number that accurately reflects your hotel SCM practices				
1. Hotel shares proprietary information with partners.	1	2	3	4	5
2. Hotel exchanges business plan information with partners.	1	2	3	4	5
3. Hotel discusses market conditions and forecasts with partners.	1	2	3	4	5
4. Hotel shares core business knowledge with partners.	1	2	3	4	5
5. Hotel informs partners in advance of changing needs.	1	2	3	4	5
6. Hotel discusses supply disruptions with partners.	1	2	3	4	5
7. Hotel frequently holds meetings to inform partners.	1	2	3	4	5
8. Hotel shares information about inventory levels with key suppliers.	1	2	3	4	5
9. Hotel shares information about new product/ service developments with key partners.	1	2	3	4	5

Quality of Information Sharing	Please circle the number that accurately reflects your hotel SCM practices.				
1. Information flow with SC partners is timely done.	1	2	3	4	5
2. Information flow with SC partners is accurately done.	1	2	3	4	5
3. Information flow with SC partners is completely done.	1	2	3	4	5
4. Information flow with SC partners is reliably done.	1	2	3	4	5
5. Information flow with SC partners is adequately done.	1	2	3	4	5
6. Information flow with SC partners is promptly done.	1	2	3	4	5
7. Information flow with SC partners is properly done.	1	2	3	4	5
8. Information flow with SC partners is regularly done.	1	2	3	4	5

Inventory Management	Please circle the number that accurately reflects your hotel SCM practices				
1. Hotel categorizes inventories in terms of value.	1	2	3	4	5
2. Hotel integrates stock management system with the vendor.	1	2	3	4	5
3. Hotel does demand forecast for the inventory.	1	2	3	4	5
4. Hotel dedicates professional staffs to manage rooms and stocks.	1	2	3	4	5
5. Hotel has a pre-defined reorder level for all stocks.	1	2	3	4	5
6. Hotel tracks the cost of stock in store.	1	2	3	4	5
7. Hotel keep records of stock usage rates for decision making.	1	2	3	4	5

Postponement	Please circle the number that accurately reflects your hotel SCM practices.				
1. Hotel postpones purchasing perishable food raw materials until customer demand becomes available.	1	2	3	4	5
2. Hotel postpones food & beverage production until the receipt of customer orders.	1	2	3	4	5
3. Hotel postpones pricing for customize events until customer demand becomes available.	1	2	3	4	5
4. Hotel postpones preparing decoration for event services until the receipts of part payment in advance from customers.	1	2	3	4	5
5. Hotel postpones food and beverage production for event services until the receipts of part payment in advance from customers.	1	2	3	4	5

Lean Supply Chain Practice	Please circle the number that accurately reflects your hotel SCM practices				
1. Hotel works with a few suppliers.	1	2	3	4	5
2. Hotel performs internal supply chain process to improve efficiency.	1	2	3	4	5
3. Hotel aggregates all hotel requirements and procures at once.	1	2	3	4	5
4. Hotel has ensured effective logistics system.	1	2	3	4	5
5. Hotel reduces time wastage in supply chain operations.	1	2	3	4	5

Customer Relationship	Please circle the number that accurately reflects your hotel SCM practices.				
1. Hotel interacts with customers to achieve reliability.	1	2	3	4	5
2. Hotel interacts with customers responsively.	1	2	3	4	5
3. Hotel requests customer feedback relating to hotel service.	1	2	3	4	5
4. Hotel measures and evaluates customer satisfaction.	1	2	3	4	5
5. Hotel determines future customer expectations.	1	2	3	4	5
6. Hotel facilitates services to get assistance for customers.	1	2	3	4	5
7. Hotel maintains long-term relationship with customers.	1	2	3	4	5

Section C: Effects of Supply Chain Management Practices on Organizational Performance of Hotels

With regard to organizational performance please tick (Â) that accurately reflects your hotel organizational performance. The item scales are five-point Likert type scales with 1=strongly agree, 2 =agree, 3 = neutral, 4 =disagree, and 5 = strongly disagree.

Organizational Performance	Please circle the number that accurately reflects your hotel conditions				
1. Sale Volume of hotel has increased in 2019 compared to 2018.	1	2	3	4	5
2. Occupancy Rate of hotel has increased in 2019 compared to 2018.	1	2	3	4	5
3. Return on Investment Rate has increased in 2019 compared to 2018.	1	2	3	4	5
4. Operating profit of hotel has increased in 2019 compared to 2018.	1	2	3	4	5
5. Hotel can control costs in operations by using SCM practices	1	2	3	4	5