# YANGON UNIVERSITY OF ECONOMICS DEPARTMENT OF COMMERCE MASTER OF MARKETING MANAGEMENT PROGRAMME

# EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE IN PRO 1 GLOBAL HOME CENTER

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# EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE IN PRO 1 GLOBAL HOME CENTER

"This thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for degree of Master of Marketing Management"

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## ACCEPTANCE

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### ABSTRACT

The main objective of this study is to analyze the effect of supply chain management practices on organizational performance in Pro 1 Global Home Center. The supply chain management practices include supplier relationship, customer relationship, warehouse management, information technology adaption, and inventory control. Structured questionnaire is used to collect data respondents by sample random sample techniques. The study also used a combination of qualitative and quantitative approaches. Regarding to the finding based on the main objective of the study, the supply chain management practices of supplier relationship and customer relationship has the strong positive effects on the organizational performance. Moreover, the study found that as the information technology adaption is also having a positive relationship with organizational performance. Therefore, Pro 1 Global Home Center should well integrate of technology with inventory control management and should offer competitive pricing on their products which will have contributed to organizational performance.

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## CHAPTER (1) INTRODUCTION

The home improvement retail industry is a highly competitive and dynamic industry that requires businesses to have effective supply chain management practices in order to remain competitive and meet customer needs and expectations. One key area of focus for retailers is supply chain management, as it plays a critical role in ensuring timely delivery of products and services to customers.

In the intensively competitive world, the competition exists not only between organizations but also among supply chains. Schneller & Smeltzer (2006) and White & Mohdzain (2009) expressed that supply chain management (SCM) plays a very critical role as a key factor for an organization to gain competitive advantage and improve organizational performance. The competitive environment requires organizations to provide high quality products and services, deliver rapid service response, and develop dynamic capabilities that are congruent with the rapid changing business environment (Fawcett and Magnan, 2001; Lin, 2005; Teece, 2009). Therefore, organizations have begun to realize that it is crucial to have competitive supply chain management practices so that they are able to stay in the competitive global business environment.

Pro 1 Global Home Center is one of the leading home improvement retailers in the Myanmar, with a strong reputation for quality products and services for its reputation as a leading player in the home improvement industry. However, as competition in the industry continues to increase, Pro 1 Global Home Center recognizes the need to continually improve its supply chain management practices in order to maintain its competitive edge. The profitability of the supply chain could be improved drastically via better delivery performance (improved responsiveness and reliability of deliveries, fewer stock outs, higher product quality, more receiverfriendly loads) and increased information availability (better demand insight, more predictable order cycles, accurate, real-time) at the operational level and a reduction of time-to market at the tactical and strategic level. The potential for improvement when applying Supply Chain Management concepts is based on the reduction of inventory carrying (reduced overstocks, faster inventory turns) and transportation costs (pooling of transport), the reduction of indirect and direct labor costs and the increase of sales and sales margins (Vander, 2004).

Therefore, (SCM) it is considered as a strategic factor for the better attainment of organizational goals such as enhanced competitiveness, improved customer service and increased profitability. However, to ensure a better SCM system it is important to develop a performance measurement system that properly reflects the real supply chains performance. Given a supply chain perspective, the performance measurement is also strategic and essential because most companies realize that SCM needs not only to be assessed for its performance but also SCM processes must be well-defined and controlled (Azevedo, Carvalho, and Cruz-Machado, 2011). It is important for an organization to develop strategies that are designed around the skills that would enhance the performance of the organization. Therefore, the researcher is intended to empirically test the employees" perception towards identifying the effect and relationships among SCM Strategies, SC performance and organizational performance of the case company. However, the competitive advantage of Pro 1 Global Home Center depends not only on its supply chain management practices but also on its organizational performance.

This study seeks to investigate the relationship between supply chain management practices, and organizational performance in the context of Pro 1 Global Home Center. By examining the existing literature and conducting a quantitative analysis of survey data collected from Pro 1 Global Home Center employees, the study aims to provide insights into the factors that influence employee perception in the home improvement retail industry, and how businesses can improve their supply chain management practices to improve organizational performance to meet its competitiveness.

### **1.1** Rationale of the Study

Home improvement centers need to provide many varieties of products and categories to fulfill the requirements of construction, home building and renovation of their customers' homes. Supply chain management practices are the most important factors of those retail home centers. In order to remain competitive and successful, businesses need to have efficient and effective supply chain management practices that ensure timely delivery of quality products and services to customers. At the same time, businesses need to understand and meet the needs and expectations of customers in order to maintain their loyalty and achieve sustainable growth.

The Home Depot, B&Q, Ace Hardware, Leroy Merlin and OBI are famous home centers based in the United States and Europe countries. Daiso(Japan), B&Q(China), Homemate (Malaysia, Japan, Taiwan and some Asia countries), HomePro(Thailand), Global House(Thailand and ASEAN countries) are eminent home improvement home center in Asia. Pro 1 Global Home Center in Myanmar is also one of the renowned home centers in ASEAN.

For any business activity, such as supply chain management (SCM), which has strategic implications for any company, identifying the required performance measures on most of the criteria is essential and it should be an integral part of any business strategy. Many methods have been suggested over the years for SCM evaluation of any organization (Bhagwat et al., 2007). Due to the number of rival companies expanding both locally and globally, companies not only have to reestablish themselves to produce higher-quality products and services, decrease waste and are able to respond to the market but also to handle their supply chain management efficiently. Organizations are facing different kinds of challenges in their effort of competing in today's dynamic global markets.

To remain competitive, organizations recognize the importance of supply chain practices that improve not only their own organizational performance, but also coordinate with their supply chain partners to improve their joint performance. Yet, despite the significant advances in research and practices, many organizations continue to struggle to understand the complex issues associated with the coordinated planning and supply activities amongst the members of their supply networks (Makena, 2014).

Practices of SCM not only make impact on the overall performance of the organization, but also on the competitive advantage of the organization. These practices are supposed to improve the organization's competitive advantage using the price/cost, the quality, the delivery dependability, the time to market, and product innovation. According to Ayers (2001), Organizations with supply chain management practices have supplier and customer relationship management, long shared data and information, warehouse management and inventory control management. These cooperative activities are essential to the successful of the organization.

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Effective supplier relationship management practices are essential for optimizing the supply chain and ensuring a smooth flow of goods and services. By implementing supplier relationship management practices, companies can build strong and collaborative partnerships that drive efficiency, innovation, and competitiveness within the supply chain. Moreover, lacking of sharing information among supply chain members will significantly affect the total profitability of the organization (Anderson and Fine, 1999). Given the importance of SCM practices to the organizational performance and the importance of knowledge management in enhancing the organizational performance, examining the effects of these variables is warranted.

The above phenomenon highlights the importance of SCM practices on organizational performance. Moreover, understanding knowledge management processes as the intertwining effects on the relationship between supply chain management practices and organizational performance is vital. Hence, the study is carried out to determine the effect of SCM practices on knowledge management processes and organizational performance in the context of Pro 1 Global Home Center.

Furthermore, the study is expected to contribute to the existing body of knowledge on supply chain management practices and organizational performance in the home improvement retail industry. The findings of this study will provide insights that can be used by Pro 1 Global Home Center and other businesses in the industry to improve their supply chain management practices and organizational performance.

#### **1.2** Objectives of the Study

The main objective of the study is the effect of supply chain management practices on organizational performance in Pro 1 Global Home Center. The specific objectives are:

- 1. To identify supply chain management practices in Pro 1 Global Home Center.
- 2. To analyze the effect of supply chain management practices on organizational performance in Pro 1 Global Home Center.

#### **1.3** Scope and Method of the Study

The study focused on examining the relationship between supply chain management practices and organizational performance in the context of a specific company, Pro 1 Global Home Center. The study aims to provide insights into how the company's supply chain management practices influence organizational performance and how improvements can be made in these areas.

The research methods used in the study include a combination of qualitative and by simple quantitative approaches. By using simple random sampling method, a survey questionnaire was administered to 80% of the 128 employees at supervisors' level and above, 102 employees from all 7 branches of Pro 1 Global Home Center in Yangon to collect data on their perceptions of the company's supply chain management practices, and their levels of satisfaction. In addition, interviews were conducted with managers and employees of the company to gain a deeper understanding of their supply chain management practices and strategies. However, this study did not represent the whole of Pro 1 Global Home Center and need further studies for more information.

The data collected from the interview and questionnaires survey were analyzed by using statistical techniques, regression analysis and correlation analysis, to explore the effect of supply chain management practices on organizational performance. The study also drew on existing literature and theories on supply chain management and organizational performance to provide a theoretical framework for the analysis.

#### 1.4 Organization of the Study

The study is organized as follows: Chapter 1 provides an introduction to the study, presents the rationale for the study, objectives of the study, scope and method of the study, and organization of the study. Chapter 2 provides a review of the existing literature on supply chain management practices and organizational performance. Chapter 3 describes the profile and supply chain management practices of Pro 1 Global Home Center. Chapter 4 presents the results of the data analysis, and finally Chapter 5 provides a discussion of the findings and their implications for Pro 1 Global Home Center, and present the suggests areas for future research.

## CHAPTER (2) THEORETICAL BACKGROUND

This chapter presents the theoretical background of supply chain management practices and organizational performance including Concept of Supply Chain Management, Supply Chain Management Practices, Concept of Organizational Performance, Contingency Theory, Agility Theory, Supply Chain Operations Reference (SCOR) model, related previous studies and conceptual framework of the study.

### 2.1 Concept of Supply Chain Management

The simultaneous integration of customer requirements, internal processes, and upstream supplier performance is commonly referred to as supply chain management (SCM). While SCM has become popular, there are in practice few examples of truly integrated supply chains (Handfield and Nichols, 2008). Although the literature is replete with reports of firms that developed strategic supplier-buyer partnerships, outsourced non-core competencies, and adopted strategic customer relations practices, few companies have succeeded simultaneously on all these fronts. Scott and Westbrook (1991) describe supply chain management as the chain linking each element of the manufacturing and supply process from raw materials through to the end user, encompassing several organizational boundaries. Thus, SCM encompasses the entire value chain and addresses materials and supply management from the extraction of raw materials to the end of its useful life. It aims at improving value delivery to customers; relying on just-in-time system; eliminating waste; getting the involvement of all stakeholders in the value creation process as well as working closely with suppliers. According to Ireland and Webb (2007), SCM continues to be adopted by organizations as the medium for creating and sustaining a competitive advantage and points out that such a displacement is understandable considering the potential benefits of successful supply chain management. These benefits attributed to SCM include inventory reduction, improved delivery service, and shorter product development cycles. On their part, Slack et al., (1995) observed that the objectives of SCM include focusing in satisfying end customers, to formulate and implement strategies based on capturing and retaining end customer business and also to manage the whole chain effectively and efficiently. The success of a SCM system is dependent on adopters developing specific capabilities (Chandra and Kumar, 2000). These, they observe, include the ability to develop a flexible organization, develop a trusting relationship with its suppliers, seek total supply chain coordination, enhance communication to reduce uncertainty and inventory levels, outsource non-core competencies, implement build-to-order manufacturing, reduce inventory and minimize costs. Attaining these capabilities requires employees who are flexible in their roles, have a broad set of skills, are adaptable to reorganization, able to work in boundary-spanning responsibilities and are innovative. Companies said to be effective in their SCM practice put a lot of emphasis on developing their human resources through training and retraining of their employees (Gowen and Tallon, 2002).

#### 2.2 Supply Chain Management Practices

Supply chain management practices refer to the strategies, processes, and activities that companies use to manage and optimize the flow of goods, services, information, and money between suppliers, manufacturers, distributors, retailers, and customers. Supply chain management practices have evolved over time in response to changing business environments, customer expectations, and technological advancements. Effective supply chain management practices can help companies to improve operational efficiency, reduce costs, increase customer satisfaction, and gain a competitive advantage in the marketplace.

David Simchi-Levi et al (1999) defined the some of the key supply chain management practices include:

- 1. **Supplier relationship management**: Establishing and maintaining strong relationships with suppliers to ensure reliable and timely delivery of goods and services, and to collaborate on process improvements and cost reductions.
- 2. **Demand planning and forecasting**: Accurately forecasting customer demand to optimize inventory levels, reduce stockouts, and minimize waste.
- 3. **Inventory management**: Optimizing inventory levels to balance the costs of holding inventory against the costs of stockouts or excess inventory.
- 4. Logistics and transportation management: Managing the movement of goods and materials between locations, including transportation mode selection, carrier management, and warehouse management.

 Technology and data management: Leveraging technology solutions such as enterprise resource planning (ERP) systems, warehouse management systems (WMS), and transportation management systems (TMS) to collect and analyze data, automate processes, and optimize supply chain operations.

By implementing effective supply chain management practices, companies can improve their operational efficiency, reduce costs, and enhance customer satisfaction. This can ultimately lead to increased profitability and a stronger competitive position in the market.

According to the previous research on supply chain management practices and organizational performance, there are several supply chain management practices which can affect organizational performance such as supplier relationship, customer relationship, level of information sharing, quality of information sharing and so on. But in this study, five variables, the supplier relationship, customer relationship, warehouse management, information technology adaption, and inventory control management are used to measure organizational performance. The detailed information of these supply chain management practices are presented in following.

#### (a) Supplier Relationship Management (SRM)

Supplier relationship management (SRM) plays a crucial role in effective supply chain management. It involves developing and maintaining positive and collaborative partnerships with key suppliers to enhance overall supply chain efficiency, reduce costs, and improve product or service quality. Effective SRM fosters a strong, long-term relationship between a company and its suppliers, leading to mutual benefits and a competitive advantage (Simchi-Levi et al.,2019).

One of the primary objectives of SRM is to establish clear communication channels and transparency with suppliers. By maintaining open and regular communication, both parties can align their goals, share information, and address any potential issues proactively. This enables them to adapt quickly to changes in demand or market conditions, thereby minimizing disruptions and ensuring a steady flow of goods and services.

Moreover, SRM involves creating a strategic partnership where both the company and suppliers work together to innovate and continuously improve products and processes. This collaborative approach fosters creativity, leading to the development of better solutions and more efficient operations. Furthermore, by understanding each other's business models, both parties can identify cost-saving opportunities, streamline processes, and achieve better value for money.

A well-managed supplier relationship can also lead to enhanced risk management. Companies can work closely with suppliers to assess and mitigate potential risks, such as supply shortages, quality issues, or geopolitical challenges. By diversifying the supplier base and fostering strong relationships, companies can develop contingency plans that help them navigate unforeseen circumstances more effectively (Simchi-Levi et al., 2019).

In conclusion, supplier relationship management is a critical aspect of supply chain management, and its importance cannot be overstated. A positive and collaborative relationship with suppliers leads to increased efficiency, reduced costs, better product quality, and a more resilient supply chain. Investing time and effort in developing strong supplier relationships can result in a sustainable competitive advantage in the marketplace.

### (b) Customer Relationship Management (CRM)

Customer relationship management (CRM) is a critical aspect of supply chain management, focusing on building strong and enduring connections with customers. To effectively manage customer relationships within the supply chain, companies must prioritize customer-centric strategies and practices (Chopra, S., &Meindl, P. ,2016)

Understanding customer needs and preferences is paramount; as it enables businesses to tailor their supply chain processes to deliver products and services that precisely align with customer expectations. Implementing efficient communication channels and providing real-time order tracking enhances customer satisfaction and builds trust. Moreover, offering comprehensive post-sales support and implementing customer loyalty programs help foster long-term customer loyalty and drive repeat business (Fawcett et al., 2014).

By leveraging data analytics, companies can gain valuable insights into customer behavior and buying patterns, allowing for better decision-making and more personalized customer experiences. Ethical and sustainable practices further enhance customer relationships, as an increasing number of customers prioritize companies that demonstrate social and environmental responsibility. By integrating these customer relationship practices into supply chain management, businesses can create a competitive advantage and ensure continued success in a customer-driven market (Mentzer, 2008).

#### (c) Warehouse Management

Warehouse management is a critical component of supply chain management that involves efficiently managing the storage, movement, and handling of goods within a warehouse facility. Several factors contribute to effective warehouse management, and these are backed by industry research and best practices:

- 1. Warehouse Layout and Design: An optimized warehouse layout and design play a crucial role in maximizing space utilization, reducing travel distances, and streamlining operations. A well-designed warehouse can lead to improved efficiency and reduced operational costs (Waters, 2009).
- 2. Inventory Management: Proper inventory management is essential to ensure the right products are available at the right time. Adopting inventory control techniques like ABC analysis, Just-In-Time (JIT), and Economic Order Quantity (EOQ) helps balance stock levels and reduce carrying costs (Hugos, 2018).
- Technology Integration: The integration of advanced technologies such as Warehouse Management Systems (WMS), barcode systems, and Internet of Things (IoT) devices enhances data accuracy, real-time tracking, and automation in warehouse operations (Pibernik, R., &Fikar, C., 2016).
- Workforce Training and Management: Well-trained and engaged warehouse staff contribute to efficient and safe operations. Proper training and effective labor management lead to increased productivity and reduced errors. (Jacobs, F. R., & Chase, R. B., 2014)
- 5. Safety and Security: Ensuring warehouse safety and security is vital to protect both employees and inventory from potential risks and losses. Implementing safety protocols and security measures is essential. (Frazelle, E. H., 2002).
- 6. Order Fulfillment: Streamlining order processing and fulfillment processes improves order accuracy and customer satisfaction. Efficient order picking, packing, and shipping contribute to overall warehouse performance (Mangan et al ,2016).
- 7. Performance Metrics and Continuous Improvement: Measuring key performance indicators (KPIs) in warehouse operations allows for data-driven

decision-making and continuous improvement. Regular evaluation helps identify areas for optimization (Mentzer, et al ,2001).

- Environmental Considerations: Emphasizing sustainability in warehouse management, such as energy-efficient practices and waste reduction, contributes to environmentally responsible supply chain operations (Environmental Protection Agency, 2021).
- Collaboration and Integration: Collaborating closely with suppliers, manufacturers, and other supply chain partners improves overall coordination and leads to more efficient and responsive warehouse operations (Christopher, M., & Towill, D. R. ,2000).

By considering and optimizing these factors, organizations can enhance their warehouse management practices and, consequently, improve their overall supply chain performance.

### (d) Information Technology (IT) Adoption

Information Technology (IT) adoption in supply chain management has revolutionized the way companies plan, execute, and optimize their supply chain processes. The integration of advanced technologies has enhanced visibility, efficiency, and collaboration throughout the supply chain, resulting in significant improvements in overall performance.

The adoption of Information Technology (IT) in supply chain management has ushered in a new era of efficiency and effectiveness. IT has transformed the traditional supply chain into a digitally connected and data-driven ecosystem. One of the most significant benefits of IT adoption is improved visibility across the entire supply chain. Advanced analytics and AI algorithms support accurate demand forecasting, leading to better inventory management and reduced carrying costs.

Moreover, IT tools facilitate seamless communication and collaboration with suppliers through supplier portals, e-procurement systems, and EDI. Automation technologies, such as robotics and AGVs, optimize warehouse operations, reducing lead times and enhancing order accuracy. Blockchain technology enhances transparency, traceability, and security, providing an immutable record of transactions for critical industries. E-commerce integration enables companies to reach a broader customer base and expand their market presence. The integration of IT also empowers companies to monitor and improve supplier performance, assess risks, and develop effective risk mitigation strategies. With these IT-driven advancements, supply chain managers can make data-backed decisions, respond quickly to changing market demands, and drive better customer experiences. Embracing IT adaptation in supply chain management is not just a competitive advantage but a necessity for companies looking to stay relevant and thrive in the modern business landscape.

#### (e) Inventory Control in Supply Chain Management

Inventory control in supply chain management is a crucial process that involves managing and regulating the flow of goods and materials to ensure optimal stock levels. Efficient inventory control ensures that inventory is available at the right time and in the right quantities, striking a balance between meeting customer demand and minimizing carrying costs.

One of the widely used inventory control techniques is the Economic Order Quantity (EOQ) model, first introduced by Harris in 1913. The EOQ model calculates the optimal order quantity that minimizes the total cost of inventory, considering both holding costs and order costs. The model helps organizations determine the most costeffective quantity to order each time, reducing excess inventory and the associated holding costs.

Another significant approach in inventory control is the Just-In-Time (JIT) inventory management system. JIT aims to minimize inventory levels by synchronizing production and delivery closely with actual customer demand. Toyota popularized this concept in the 1970s, and it has since become widely adopted across various industries. JIT reduces the need for large stockpiles and leads to lower holding costs, streamlined operations, and improved production efficiency.

The advancement of technology has revolutionized inventory control in supply chain management. The implementation of sophisticated inventory management software and data analytics tools enables companies to gather real-time data on inventory levels, demand patterns, and supplier performance. The Internet of Things (IoT) devices, RFID tags, and barcode systems facilitate accurate and timely tracking of inventory throughout the supply chain. This data-driven approach allows organizations to make informed decisions, optimize inventory levels, and improve overall supply chain efficiency.

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Moreover, successful inventory control requires effective collaboration and communication between various supply chain partners. Close coordination among suppliers, manufacturers, distributors, and retailers enables better demand forecasting, shorter lead times, and quicker response to market fluctuations.

#### 2.3 Concept of Organizational Performance

An organizational performance is defined as how well the organization works on improving the company financial condition and be able to compete against the competitor. Although prior research suggests there is a direct link between the level of adoption of SCM practices and organizational performance, there have been various definitions of organizational performance, with some studies emphasizing operational measures, while others stressing financial measures. For example, some studies use delivery dependability and time to market as performance measures, while firm performance defined by sales growth, market share growth and profitability are used in other studies.

Many studies have selected a combination of pertinent operational and financial measures to reflect overall organizational performance. For example, researchers use factor analysis to extract five components of performance related to delivery, cost, flexibility, procurement and quality. Others measure performance through four separate dimensions including perceived value, customer loyalty, market performance and financial performance. Similarly, others use six items for performance including product quality, customer service, competitive position, market share, average selling price and return on assets. Customer service performance followed by financial performance as the performance constructs and finally, operational performance via three levels of performance criteria: strategic, operational and financial. Strategic performance is measured by market share and sales growth, operational performance is measured by lead-time performance and financial performance is assessed through return on investments and return on sales (Lori, 2011).

Many empirical studies have examined the relationship between supply chain management (SCM) and organizational performance. The relevant items adapted to measure organizational performance includes higher sales, higher accuracy in costing, and improved coordination between departments, improved coordination with suppliers, and improved coordination with customers. Some other measures that are related to organizational financial performance may include return on investment, market share, profit margin on sales, growth of return on investment, growth of sales, and growth of market share to measure organizational performance. While others use measures such as lead time, inventory turnover, product return, sales level, cost reduction and meeting customers' requirements to measure the operational performance (Lang, 2012).

#### 2.4 Supply Chain Management Practices and Organizational Performance

Delaney et al, (2006) pointed that organizational performance can be evaluated by quality service and products, satisfying customers, market performance, service innovations, and employee relationships. On the other hand, Hoque et al, (2000) in their study of organizational performance based on balanced scorecard, stated that organizational performance can be appraised by return of investment, margin on sales, capacity utilization, customer satisfaction and product quality. In the same way, Greene et al,(2007) identified that return on investment, sales and market growth, and profit are important factors that can be measured by organizational performance. In all these performance measures, SCM practices have a positive relationship or generally affects the level of organizational performance.

A strong customer leads to improved marketing and financial performance (Green et al., 2005). As customers begin to demand that the products and services that they purchase be eco-friendly, it is important that manufacturers generate intelligence related to these changing customer demands. A manufactured product that remains unsold in inventory, because it does not satisfy customer demand is blatantly environmentally unfriendly. A company's customer relations practices can affect its success in managing the supply base as well as its performance (Turner, 1993). A key element of successful supply base management involves downstream integration of customers as well as the management of upstream suppliers. Each entity in the supply chain is a supplier as well as a customer.

When a customer driven corporate vision is implemented simultaneously with effective TQM and supply base management practices, it can produce a competitive edge in a number of different ways. These include increases in productivity, reductions in inventory and cycle time, increased customer satisfaction, market share and profits. Chong and Ooi, (2008) asserted that a good organized and executed SCM make it possible for companies to decrease their inventories, have better customer

service, diminish costs as well as aid fast inventory turns. One of the biggest advantages of SCM in the situation of short-term objectives is increasing productivity and decreasing inventory and reducing lead time. Based on long term objectives, this factor has significant role in increasing company's market share and having outside integration of the SCM. (Li et al., 2006).

Carr and Smeltzer (1999) have documented how firms with strategic purchasing are able to foster long-term, cooperative relationships and communication, and achieve greater responsiveness to the needs of their suppliers. Although other factors, such as restructuring and governance, and transaction cost economizing are also important for understanding strategic purchasing and its linkage to supply management, they are beyond the scope of this investigation. Strategic purchasing fosters communication, which is critical to achieving effective integration throughout the supply chain. Effective communication contributes to the development and maintenance of inter-organizational routines that have been documented to enhance a firm's capability for effectively managing strategic alliance (Zollo et al., 2002).

#### 2.5 Background Theories and Models of the Study

This section presented the background theories of the study. In this study based one main theory and one model. These are contingency theory for supply chain management on organization performance, agility theory, and supply chain operation reference model.

#### (a) **Contingency Theory**

Contingency theory suggests that the effectiveness of SCM practices depends on the alignment between the organization's strategy, structure, and the external environment. Organizations need to adapt their SCM practices to fit the specific context and requirements they face. For example, the choice of supply chain coordination mechanisms (e.g., centralized versus decentralized decision-making) should align with the organization's strategy and the characteristics of the supply chain. Key principles of contingency theory include:

1. Fit between Strategy and Structure: Contingency theory suggests that the structure of an organization should be aligned with its strategy. For example, organizations pursuing a cost leadership strategy may benefit from a hierarchical structure with tight control, while organizations focused on

innovation and flexibility may require a more decentralized and organic structure. The key is to find the right fit between strategy and structure to achieve optimal performance.

- 2. Environmental Fit: Contingency theory acknowledges that organizations operate within a dynamic external environment. The effectiveness of organizational practices depends on how well they match the demands and challenges of the environment. For instance, in a stable and predictable environment, a mechanistic and bureaucratic structure may be suitable, whereas in a rapidly changing and uncertain environment, an agile and flexible structure may be more appropriate.
- 3. **Contingency Variables**: Contingency theory identifies various contingency variables that influence organizational design and practices. These variables can include the organization's size, technology, industry, market conditions, regulatory environment, and the complexity of tasks. Organizations must consider these factors to determine the most suitable practices for their specific circumstances.
- 4. **Contingency Approach to Leadership**: Contingency theory also extends to leadership styles. It suggests that effective leadership depends on the situation and the characteristics of followers. Different situations may require different leadership styles, such as autocratic, participative, or transformational leadership. Effective leaders are those who can adapt their style to match the contingencies of the situation.

The practical application of contingency theory involves assessing the key contingencies that affect the organization and then tailoring the organizational design, management practices, and leadership approaches accordingly. It recognizes that there is no universal best practice and encourages organizations to be flexible and adaptable in responding to the unique challenges they face.

In the context of supply chain management, contingency theory suggests that organizations should align their SCM practices with the specific characteristics of their supply chain, industry, market conditions, and overall organizational strategy. For example, the choice of supply chain coordination mechanisms, the degree of integration with suppliers and customers, and the level of centralization or decentralization in decision-making should be contingent upon the specific requirements and contingencies of the organization.

#### (b) Agility Theory

Agility theory emphasizes the ability of organizations to respond quickly and effectively to changes in the business environment. By implementing agile practices such as demand sensing, collaborative forecasting, and flexible manufacturing, organizations can achieve better performance in dynamic and uncertain markets. The ability to be agile is considered a strategic advantage as it enables organizations to seize opportunities, mitigate risks, and maintain a competitive edge. Here are key principles associated with agility in supply chain management:

- 1. Flexibility and Adaptability: Agile organizations have the capacity to adjust their operations, processes, and strategies rapidly in response to changing circumstances. They can modify production levels, alter product configurations, and shift sourcing or distribution strategies as needed.
- 2. **Responsiveness**: Agility involves the ability to sense and respond to changes in customer preferences, market trends, and demand patterns. Organizations must be quick to identify shifts in customer needs and preferences and adapt their supply chains accordingly to meet those requirements.
- 3. **Collaboration and Information Sharing**: Agile supply chains emphasize collaboration and information sharing among supply chain partners, including suppliers, manufacturers, distributors, and customers. Timely and accurate sharing of information allows for effective coordination, quick decision-making, and enhanced responsiveness.
- 4. **Risk Management**: Agility requires organizations to proactively manage risks and disruptions that may impact the supply chain. This includes anticipating potential risks, developing contingency plans, and building resilience to withstand and recover from disruptions.
- 5. **Innovation and Continuous Improvement**: Agile organizations foster a culture of innovation and continuous improvement, seeking new ways to enhance processes, products, and services. They embrace experimentation, learning from failures, and leveraging new technologies to drive innovation throughout the supply chain.

Agility in supply chain management is not a one-size-fits-allapproach. Different industries, market conditions, and organizational contexts may require different strategies and practices to achieve agility. Organizations need to assess their unique requirements, develop customized approaches, and leverage appropriate technologies to enhance their agility.

Overall, agility in supply chain management aims to enhance the organization's ability to navigate uncertainty, respond to changes, and create value for customers in a rapidly evolving business environment.

#### (c) Supply Chain Operations Reference (SCOR) Model

The Supply Chain Operations Reference (SCOR) model was developed by the Supply Chain Council, a non-profit organization consisting of leading companies and academics in the field of supply chain management. The initial version of the model was released in 1996, and it has since been updated and revised several times to reflect changes in the industry and advances in supply chain management practices. The SCOR model is widely used by companies around the world as a framework for understanding and improving their supply chain operations.

The SCOR model consists of five main components: plan, source, make, deliver, and return. These components represent the primary activities involved in supply chain management, from planning and sourcing to production, delivery, and returns. Each component is further broken down into a set of processes, activities, and performance metrics.

Overall, the SCOR model provides a comprehensive framework for analyzing and improving supply chain management practices. By breaking down supply chain activities into discrete components and measuring performance using common metrics, the SCOR model helps supply chain stakeholders identify opportunities for improvement and implement best practices.

#### 2.6 Previous Studies

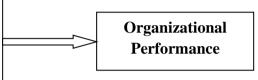
This section presented the previous study relating to supply chain management practices. Some of the variables are used for building conceptual framework of this study.

Habtamu Aboneh (2017) investigated "Effect of Supply Chain Management Practices on Organizational Performance in Pharmaceutical Companies in Addis Ababa". SCM practices consist of supplier relationship management, customer relationship management, level of information sharing, quality of information sharing. The study adopted a quantitative approach. The researcher collects primary data in the form of questionnaire distributed to 78 employees from Medtech Pharmaceuticals, Zaf Pharmaceuticals, Amba Pharmaceuticals, Cadila Pharmaceuticals and Beker Pharmaceuticals in Addis Abab. This study was tested using regression analysis. The conceptual framework of the study is shown in following Figure (2.1).

## Figure (2.1) Supply Chain Management Practices on Organizational Performance

#### **Supply Chain Management Practices**

- Supplier Relationship Management
- Customer Relationship
   Management
- Level of information sharing
- Quality of information Sharing



Source: Habtamu Aboneh(2017)

The regression analysis results of this study support the hypotheses that quality of information sharing and customer relationship management has positive and significant influence on organizational performance and rejects the rest two hypotheses (supplier relationship management and level of information sharing) has positive and significant influence on organizational performance. The results presented in this study contribute to the companies to focus on quality of information sharing and customer relationship management in order to build up their organizational performance.

With the topic Employees' Perception on the Effects of Supply Chain Management Strategy on Firm Performance, Natnael Gebreyesus (2016) defined the effect of supply chain management practices in MOHA Soft Drinks Industry S.C. Addis Ababa. 2028 employees of MOHA soft drinks industry S.C Addis Ababa area branches and the head office are the target population and the researcher used probability sampling particularly stratified sampling technique The target population for the study was classified into six strata based on the departments and section in the firm accordingly, Manufacturing department, Technique Department, Marketing & Sales, Procurement& Store Mat, Administration, Finance Departments are considered in the sample. By using stratified sampling techniques, a total of 109 questionnaires were distributed to employees from six departments. Majority of the five building blocks of Supply Chain Management Strategies (Manufacturing strategy, Channel Strategy, Customer service strategy, Asset network) are used to analyze the data the impact of SCM practices on supply chain performance and organizational performance, and also analyzed the effect of supply chain performance on organizational performance. The conceptual framework of this study is shown in following Figure (2.2).

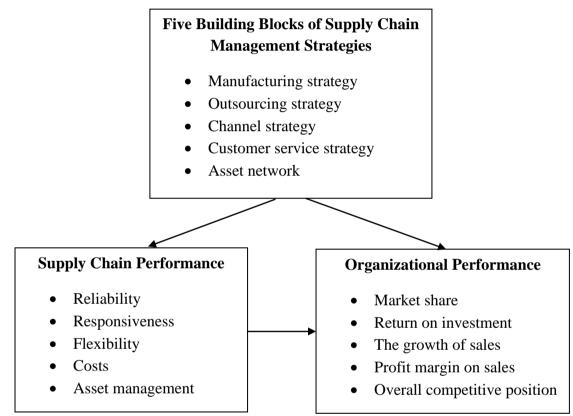


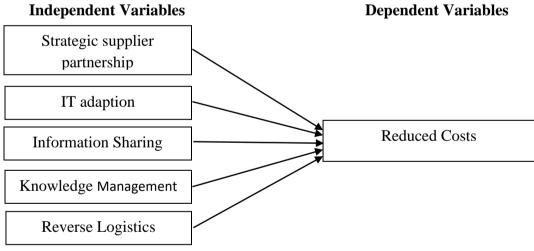
Figure (2.2) Five Building Blocks of Supply Chain Management Strategies

The result from the study shows that there is significantly strong correlation between SCM Strategy (collective representative of five building blocks of SCM Strategy) and SC Performance. The finding from correlation test between SCM Strategy (collective representative of five building blocks of SCM Strategy) and SC Performance show that there is significantly moderate correlation between SCM Strategy and Organization Performance. From the results it can be concluded that there is strong and positive relationship between the five building blocks of SCM Strategy and supply chain performance and moderate and positive relation with Organizational Performance. In addition, SCM Strategy has moderate influence on

Source: Natnael Gebreyesus (2016)

both SC Performance and Organizational Performance. As far as their causal relationship is concerned, SC Performance has some influence on Organizational Performance.

Willkister Nyangweso(2013) determined the effects of supply chain management practices on organizational performance in the sugar industry in Kenya. A descriptive cross sectional research design was used in this study. The target population consisted of all the SCM staff including the head of procurement, production manager and the agricultural service manager from the ten sugar manufacturing firms in Kenya. Given the relatively small number of the respondents a census survey was conducted. The dependent variable in the study was organizational performance. The independent variables for the study were strategic supplier partnership, adoption of information technology, information sharing, reverse logistics, customer orientation and knowledge management. The conceptual framework of this study is shown in following Figure (2.3).





Source: Willkister Nyangweso (2013)

The effect of supply chain practices on the firm's performance was investigated from the results of the respondents using regression analysis. The above study findings indicated that the most critical factor which affects an organization's supply chain performance is the supplier partnership. The study concludes that supply chain management practices impact reduction in the operating costs borne by the firm, increase in the customer loyalty which in most cases will led to the increase in the firm's customer base and market share. Furthermore, it can also be concluded that the organizational performance does not result from the products and services an organization is offering alone but instead it is those inimitable characteristics of a firm such as policies and supply chain practices that will differentiate and give an organization the required competitiveness.

Mustefa Mohammed (2014) investigated with the topic Supply Chain Management Practices and Firm Performance in Case of Awash Tannery Plc. The researcher used the Cross-sectional field survey method to assess the relationship between SCM measurements/practices and operational performance on one hand and SCM practices with organizational performance, and finally the relationship between operational performance and organizational performance of tannery processing firms in Ethiopia particularly on Awash Tannery Plc. The study used Resource-Based View and Relational View Theory and it employed a survey research design. The target populations are employees of Awash Tannery Plc, particularly those their education level is grade ten completed and above. By using probability sampling particularly stratified sampling technique, survey questionnaires were distributed to 50 respondents. The conceptual framework of this study is shown in following Figure (2.4).

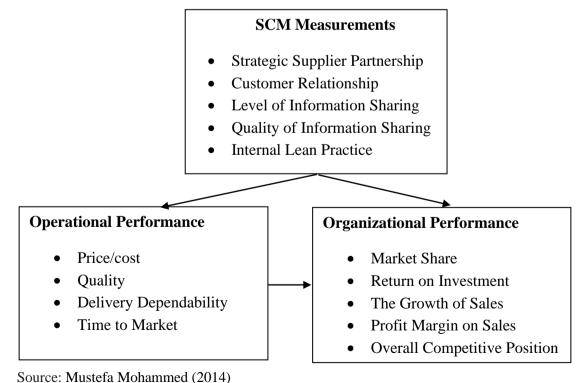


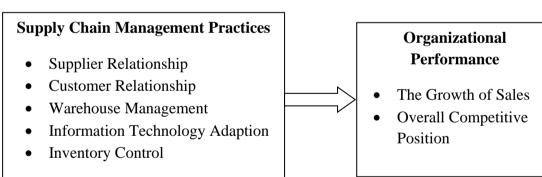
Figure (2.4) Supply Chain Management Measurements

The findings indicate that SCM practices have a positive and significant influence on operational performance and also implies that SCM practices have a positive influence on organizational performance. The research findings also indicate that operational performance is positively correlated with organizational performance. Evidence also revealed that to be competitive enough, it is better for the organization to give due attention on SCM practices for more improvement of their operational performance.

#### 2.7 Conceptual Framework of the Study

The studies of Willkister Nyangweso (2013), Mustefa Mohammed (2014) and Natnael Gebreyesus (2016) have been proved that the supply chain management practices positively effect on the organizational performance. Based on the above theoretical review and previous studies, the conceptual framework for this study is developed. The conceptual framework of this study is presented in below Figure (2.5). The conceptual framework illustrates the proposed linkage between SCM practices and organizational performance.

#### Figure (2.5) Conceptual Framework of the Study



Source: Own Compilation (2023)

The working definitions of the key terms used in the study are:

- **Supply Chain Management Practices**: The set of activities involved in planning, sourcing, and delivering products or services to customers, with the goal of maximizing efficiency, reducing costs, and improving customer satisfaction.
- **Supplier Relationship**: Supplier relationship is a term used to refer to the connection between a company and its suppliers.

- **Customer Relationship**: Customer relations refers to the methods, strategies, and processes a company uses to build and maintain customer relationships.
- Warehouse Management: Warehouse management refers to the process of executing, monitoring, and optimizing warehouse operations.
- **Information Technology Adaption**: The fact that the originally intended use of a technology or service is sometimes changed or adapted by people or organizations in practice.
- **Inventory Control**: Inventory control, also called stock control, is the process of managing a company's inventory levels, whether that be in their own warehouse or spread over other locations.
- **Organizational Performance**: The ability of an organization to reach its goals and optimize results.

#### CHAPTER (3)

# SUPPLY CHAIN MANAGEMENT PRACTICES OF PRO 1 GLOBAL HOME CENTER

This chapter presents the background history of the Pro 1 Global Home Center and Supply Chain Management practices adapted by the Pro 1 Global Home Center.

#### 3.1 Background History of Pro 1 Global Home Center

As a country's economy grows, so does its need for a better infrastructure, and with it there also comes a greater demand for building materials. Pro 1 Home Center was brought into being to meet those infrastructural needs of Myanmar's developing economy.

Pro 1 Myanmar Company is a member of the Farmer Group of Companies. PRO 1 Global Home Center is a company that specializes in construction and home improvement products. It is the largest such company in Myanmar and was founded in 2013 under the name "PRO 1 Myanmar Company". The company has since grown rapidly and has become a one-stop service center for building and construction needs in Myanmar. PRO 1 Global Home Center currently has multiple locations across Myanmar, including in Yangon, Bago, Mandalay, Mon, and Shan. PRO1 Company has been able to open 12 branches in various regions and they have been able to open branches in 5 divisions and regions of Myanmar. And then it is currently opened 7 branches in Yangon in such townships MingalarTaungNyunt, Insein, East Dagon, Hlaing Thayar, Mingalardone, South Dagon and ShwePyiTha. The company offers a wide range of products, including building materials, electrical and plumbing supplies, and home appliances. The company prides itself on providing high-quality products and excellent customer service. It has become a trusted name in the industry and is widely recognized as the go-to source for building and construction needs in Myanmar.

The main import of Pro 1 Global Home Center was elephant brand cement from SCG Company. They did market research and a typical market is the Sawbwagyigon construction materials market which is always so busy there's hardly enough space for car parking. It's become such a developed market. Studying the regional market, they found one-stop service is already over there. They made a feasibility study to find out if they can offer a similar service in Myanmar, seeking advice from economists, particularly from their Partner, SCG. In Thailand there are quite a number of one stop service centers, like Global House. So Pro 1 Global Home Center started one stop service center with a spacious car parking lot for the convenience of customers.

Pro 1 Global Home Center has a large range of goods on display. That means less management cost for individual items. The aim of opening this one stop service center is not to sell things at a high price, but only for customers to buy them conveniently at a fair price. In Myanmar culture most people associate big shops with being pricey. Pro 1 Global Home Center is a big-sale business so they get strong marketing power and the benefit of less cost. They also have staff training and also let the employees attend seminars and shows. They send them abroad to study how things are there and know how what they had learnt there can be adapted to Pro 1 Global Home Center culture.

Pro 1 Global Home Center has all parts of a house available, from roofing to flooring as well as home appliances such as refrigerator, air conditioner, water heater, irons, rice cooker, everything. As regards suppliers Pro 1 Global Home Center has them from Europe and also from such regional countries as Thailand, Singapore, Malaysia, Vietnam, China, etc. They choose them on the basis of their brand image, price and quality. Pro 1 Global Home Center makes available all things that are reasonable in price and reliable in quality. The target customers are house owners medium and small project operators and similar big businesses. Pro 1 Global Home Center keeps as many and varied items as necessary for them–such as accessories for doors, for bathroomsetc, including those things from a company that specializes in spa baths. In this way they believed that they can attract customers.

### 3.2 Supply Chain Management Practices of Pro 1 Global Home Center

Since the requirements of the home builders and renovators include many kinds of products, Pro 1 Global Home Centers have enormous stock items and categories. Many Supply Chain Management Practices are applied to maintain and improve the organizational performance and the business sustainability of Pro 1 Global Home Centers.

#### 3.2.1 Supplier Relationship

As a retail home center deals with a diverse range of products and relies heavily on the timely availability of goods, maintaining strong and collaborative partnerships with suppliers is critical for smooth operations. Effective supplier relationships enable the retail home center to secure reliable and high-quality merchandise, negotiate favorable terms, and gain access to the latest product innovations. Timely and consistent deliveries from suppliers help prevent stockouts, ensuring that customers find the products they need when visiting the home center. Pro 1 Home Center develops a robust supplier relationship with mutual trust and understanding, allowing for better communication, joint problem-solving, and the ability to respond swiftly to changes in demand or supply disruptions. By nurturing strong supplier relationships, Pro 1 Global Home Center can improve its supply chain efficiency, reduce costs, enhance customer satisfaction, and ultimately gain a competitive advantage in the dynamic retail market.

#### 3.2.2 Customer Relationship

In the highly competitive retail industry, understanding and meeting customer demands are crucial for sustained success. Building strong and lasting relationships with customers is instrumental in gaining their loyalty and repeat business. By actively engaging with customers and gathering feedback, Pro 1 Global Home Center can gain valuable insights into their preferences, buying patterns, and expectations. This customer-centric approach allows Pro 1 Global Home Center to align its supply chain operations to better cater to customer needs. Pro 1 Global Home Center develops a member card system which enables the customer relationship channel with repeated customers.

#### 3.2.3 Warehouse Management

Efficient warehouse management plays a vital role in ensuring seamless operations of Pro 1 Global Home Center. A well-organized and optimized warehouse allows Pro 1 Global Home Center to maintain adequate inventory levels, preventing stockouts and overstock situations. It enables quick and accurate order fulfillment, ensuring that customers find the products they need promptly. Effective warehouse management also contributes to cost reduction by minimizing storage and handling expenses. Using ERP software on warehouse management, Pro 1 Global Home Center can monitor the stock level situations of many warehouses located in different cities countrywide.

### 3.2.4 Information Technology Adaption

Information technology (IT) adaptation and Enterprise Resource Planning (ERP) systems play a pivotal role in modernizing and optimizing supply chain management practices of Pro 1 Global Home Center. Embracing IT solutions and ERP software enables smooth integration and communication across various supply chain functions, including warehouse management, order processing, logistics, and demand forecasting. Real-time data visibility allows Pro 1 Global Home Center to make informed decisions based on accurate and up-to-date information, leading to improved efficiency and responsiveness. Moreover, IT Adaption with ERP systems aid in effective supplier relationship management by streamlining communication and collaboration with suppliers. By adapting information technology and ERP in the supply chain practices, Pro 1 Global Home Center achieve enhanced operational efficiency, cost reduction, improved customer service, and better overall performance, positioning itself competitively in the dynamic retail market.

#### 3.2.5 Inventory Control

Inventory control is a critical component of supply chain management practices for Pro 1 Global Home Center. As a retail establishment dealing with a diverse range of products, effective inventory control is essential to maintain the right balance between supply and demand. Implementing inventory control practices of Pro 1 Global Home Center involves accurate demand forecasting, setting optimal reorder points, and employing inventory management techniques such as FIFO (First-In-First-Out). By monitoring inventory levels regularly and adjusting reorder quantities based on sales trends and customer preferences, Pro 1 Global Home Center can streamline operations and enhance supply chain efficiency.

#### CHAPTER (4)

# ANALYSIS OF SUPPLY CHAIN MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE

This chapter presents the analysis of supply chain management practices and organizational performance that consists of research design, demographic characteristics of respondents, reliability analysis, analytical methods and tools used in this research, and relationship between variables. 102 employees from 7 branches of Pro 1 Global Home Center in Yangon are selected and given structured questionnaires. Based on data, the analysis is performed by using descriptive statistics.

#### 4.1 Research Design

This study analyzed the effect of supply chain management practices on organizational performance in Pro 1 Global Home Center in Yangon. There are four main parts in research design: research variables used in this research, random sampling technique, unit of analysis, and multiple linear regressions. In this research both primary and secondary data are used.

The survey questionnaires are essential for the research design of the study and for the analysis of effect of supply chain management practices on organizational performance in Pro 1 Global Home Center in Yangon. There were two sections in the questionnaire. The respondent's profile was in the first section, and the second section was the survey item. Five-point Likert scale is used in the survey questionnaire for measuring the strength of a respondent's opinion. Which are given numerical values ranging from strongly disagree to strongly agree (raring are on 5-pont scale; strongly disagree = 1, disagree = 2, neutral = 3, agree = 4, and strongly agree = 5). The Likert Scale interpretation is shown in following Table (4.1).

Mean values were calculated based on the results of respondents' answers. The means value are categorized into the three levels. Means value of less than 2 are as low level, means value between 2 and less than 3.5 are as moderate level and means value of 3.5 or higher are as high level of perception towards a particular variable (Sekaran, 2003).

No	Mean Score between	Interpretation
1	1.00 -1.80	Strongly disagree
2	1.81 - 2.60	Disagree
3	2.61 - 3.40	Neutral
4	3.41 - 4.20	Agree
5	4.21 - 5.00	Strongly agree

**Table (4.1) Likert Scale Score Interpretation** 

Source: Sekaran (2003)

In a sampling technique, each member of a population has an equal chance of being chosen, through the use of an unbiased selection method (Simkus, 2022). The population of interest for this study are employees of Pro 1 Global Home Center from Yangon. The total population categoriesed as 128 employees who are supervisors level and above. Among them this study analyzed 102 employees (80% of the employees who are supervisor level and above) are selected by using systematic sampling method. In collecting data process, the survey questionnaires were directly sent to employees who know the supply chain practices of Pro 1 Global Home Center. Secondary data were gathered from previous research, the website, online journals, etc,. The collected data were then analyzed by SPSS statistical tool. Multiple Regression analysis was used to analyze the relationship between supply chain management practices and organizational performance of Pro1 Global Home Center.

### 4.2 Demographic Profile of Respondents

The demographic characteristics of 102 respondents from 7 branches of Pro 1 Global Home Center's employees are analyzed in this survey to identify the how supply chain management practices affect on organizational performance. The company was informed about the objective of the study and proposed to participate in this survey. This section includes profiles of the respondents such as gender, age, marital status, education, position, salary and working experience.

Items	Demographic	No. of Respondents	Percent
Gender	Male	73	71.6
Gender	Female	29	28.4
Age	25 to 35 years	52	51
(Year)	35 to 45 years	37	36.3
(Teal)	Above 45 years old	13	12.7
	Graduate	64	62.7
Education	Master	36	35.3
	Ph.D.	2	2
	Supervisor Level	45	44.1
Position	Manager Level	73 29 52 37 13 64 36 2	33.3
FOSILIOII	Director	20	19.6
	Owner	3	2.9
Marital	Single	70	68.6
Status	Married	32	31.4
	Below and equal 500,000	5	4.9
Salary	500,001 to 1,000,000	7	6.9
(Kyats)	1,000,001 to 1,500,000	39	38.2
	1,500,001 and above	51	50
Exportionas	Less than 1 year	7	6.9
Experience	1 to 5 years	52	51
(Year)	Above 5 years	43	42
	Total	102	100.0

 Table (4.2)
 Profile of Respondents

Source: Survey data (2023)

Table (4.2) shows the profile of respondent and includes gender of the respondents. In selected respondents, male included (71.6%), and female include (28.4%). It is showing that the male respondents are more dominance than females.

According to the Table (4.2), the age of the respondents in selected respondents are 51%, 36.3% and 12.7% of respondents within the age range of 25-35 years, 35-45 years, and above 45 years respectively. This indicates clearly more than 62.7% of the employees are young people and Pro 1 Global Home Center has many

young workforces.

Table (4.2) reveals the number of respondents by education level as well. This indicates that 62.7% of respondents are bachelor's degree holder, 35.3% of respondents are master's degree holder and 2% are PhD degree holder. Therefore, Pro 1 Global Home Center hired qualified people to achieve the corporate objective and earn more profit.

Table (4.2) indicate the position of the respondents. In selected respondents, supervisor level includes (45%), manager level includes (33.3%), director includes (19.6%) and owner includes (2.9%). It is showing that Pro 1 Global Home Center hire more supervisor role due to the organizational hierarchy and the nature of labor-intensive industry.

The number of respondents by martial status are shown in Table (4.2). It found out that the majority 68.6% of respondents were single. It is because Pro 1 Global Home Center hire the young professional and therefore most of them are single.

The number of respondents by experience years in the selected respondents are reveal in Table (4.2). Therefore, it found out that more than half of the respondents were service 2~5 years with Pro 1 Global Home Center and they earn 1,000,001 to 1,500,000 Ks a month showing that Pro 1 Global Home Center has staff loyalty and most of the staff are long-service staff.

### 4.3 Reliability Test of the Study

Reliability testis important for analysis of the study. Reliability refers to the degree to which measures are free from random error and therefore yield consistent results (Zikmund 1997). The study uses Cronbach's Alpha as a measure of internal consistency. Cronbach's Alpha is a reliability coefficient that indicates how well items in a set are positively correlated to one another (Sekaran, 2003).

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
0.9	Excellent

Table (4.3) Rule of Thumb on Cronbach's Alpha

Source: Hair et.al (2003)

Based on the survey data, the reliability or the internal consistency among the variables was checked with the Cronbach's Alpha as per Table (4.3).

Table (4.4)Reliability Test for Supply Chain Management Practices and<br/>Organizational Performance

Sr. No.	SCM Practices	No. of items	Cronbach's Alpha
1	Supplier Relationship	5	0.925
2	Customer Relationship	5	0.904
3	Warehouse Management	5	0.732
4	Information Technology Adaption	5	0.697
5	Inventory Control	5	0.896
6	The Growth of Sales	5	0.965
7	Overall Competitive Position	5	0.922

Source : Survey data (2023)

According to the result of Table (4.4), all the alpha value are between 0.6 to 0.9. Therefore, the research data for this survey are good and it's reliable. KMO measures the proportion of variance in the variables and all the results of KMO value were > 0.6. The significance value of Bartlett's test of Sphericity were .000 that is <0.05 and significant. Thus, the above results indicated good internal accuracy and this sample for the size was reliable.

### 4.4 Employee Perception of Supply Chain Management Practices and Organizational Performance

The conceptual model of the study was based on five independent variables namely Supplier Relationship, Customer Relationship, Warehouse Management, Information Technology Adaptation, Inventory Control. Moreover, The Growth of Sales and Overall Competitive Position are considered as organizational performance and these two variables are dependent. The findings under this section seek to measure how each of the variable's effect on the organizational performance at Pro 1 Global Home Center.

#### 4.4.1 Employee Perception of Supplier Relationship

Regarding the supplier relationship factors, the staffs are required to respond total five questions. Under Table (4.5), data are reported about supplier relationship of Pro1 Global Home Center.

Sr.	Items	Mean	Standard
No.			Deviation
1	Considering quality as number one criterion in selecting suppliers	4.16	.972
2	Regularly solving problems jointly with suppliers	4.07	.998
3	Measuring supplier's contribution to the profitability regularly	3.91	.924
4	Including key suppliers in planning and goal-setting activities of Pro1 Global Home Center	3.74	.820
5	Setting formal performance goals for supplier relationship management (SRM)	4.03	.957
	Overall Mean		3.98

 Table (4.5)
 Mean Value of Supplier Relationship

Source: Survey data (2023)

Table (4.5) is reported the individual mean score of five questions for supplier relationship. The lowest mean score is 3.74which is higher than neutral value 3 with the question "Including key suppliers in planning and goal-setting activities of Pro1 Global Home Center". The question relating to the considering quality as number one

criterion in selecting suppliers is 4.16, the highest mean score which is higher than neutral value 3 and thus most of the staff agree they are carefully make a selection of supplier to maintain quality. However, the overall mean score is 3.98 which is higher than the neutral value 3 and thus it can be concluded the supplier relationship is effective, but it will be more effective if Pro 1 Global Home Center to consider again on key suppliers to include in their planning and goal-setting activities.

#### 4.4.2 Employee Perception of Customer Relationship

Regarding with the customer relationship, the staffs are required to respond total five questions. Under table (4.6), data are presented about current employee perception on the customer relationship factors.

Sr. No	Items	Mean	Standard Deviation
1	Developing metrics that are related to the customer's impact on the profitability of the company	4.21	.894
2	Measuring customers' profitability over time	4.12	.947
3	Frequently interacting with customers to set reliability, responsiveness, and other standards of the home center	3.65	.930
4	Frequently measuring and evaluating customers' satisfaction	4.45	.828
5	Periodically evaluating the importance of customer relationship	3.79	.958
	Overall Mean	2	4.04

 Table (4.6)
 Mean Value of Customer Relationship

Source : Survey data (2023)

Table (4.6) is reported the individual mean score of five questions for the customer relationship factors. The question about frequently interacting with customers to set reliability, responsiveness, and other standards of the home center is 3.65, the lowest mean score. The question about frequently measuring and evaluating customers' satisfaction is 4.45, the highest mean score. According to the result, all the mean value are higher than the neutral value 3 and therefore it can be concluded that the employee perception on the customer relationship is very good. In order to

maintain the perfect relationship, Pro 1 Global Home Center just need to give the proper interaction with customers to set reliability, responsiveness, and other standards.

### 4.4.3 Employee Perception of Warehouse Management

Regarding with warehouse management, the staffs are required to respond total five questions. Under Table (4.7), data are presented about current employee perception on the warehouse management factors.

Sr.	Items	Mean	Standard
No.	i comb	Witcum	Deviation
1	An efficiently optimized warehouse layout significantly improves operational efficiency in a warehouse facility.	3.72	.910
2	Maximizing space utilization is crucial for optimizing storage capacity in a warehouse.	3.75	.838
3	Advanced technologies play a crucial role in enhancing productivity and accuracy in warehouse	4.46	.864
4	Data analytics and performance metrics are essential for making data-driven warehouse management decisions.	4.42	.801
5	A well-organized and systematic approach to warehouse management positively influences overall supply chain performance.	4.10	.827
	Overall Mean	3	3.89

 Table (4.7)
 Mean Value of Warehouse Management

Source : Survey data (2023)

Table (4.7) is reported the individual mean score of five questions for warehouse management. The lowest mean score is 3.72 which question is about the warehouse layout significantly improves operational efficiency in a warehouse facility and therefore Pro 1 Global Home Center staffs seem not to be agree with that. The highest mean score is the question relating to advanced technologies play a crucial role in enhancing productivity and accuracy in warehouse management is 4.46

which is higher than neutral value 3. However, the overall mean score is 3.89 which is higher than the neutral value 3 and thus it can be concluded the warehouse management is effective, but it will be more effective if Pro 1 Global Home Center to consider again on the current warehouse management in advance of changing needs.

#### 4.4.4 Customer Perception of Information Technology Adaption

Regarding with information technology adaption factors, the customers are required to respond total five questions. Under Table (4.8), data are presented about current employee perception on the information technology adaption factors.

Sr.	Items	Mean	Standard
No.			Deviation
1	The effective adoption of Information Technology (IT) significantly enhances supply chain	3.58	.844
2	IT integration improves communication and collaboration among supply chain stakeholders.	3.48	.898
3	Leveraging IT solutions leads to more accurate demand forecasting and better inventory	4.23	.911
4	IT facilitates seamless integration of suppliers, manufacturers, and distributors within the supply	4.13	.897
5	IT adaptation is essential for staying competitive in the rapidly evolving global supply chain landscape.	3.86	.797
	Overall Mean	3	3.72

 Table (4.8)
 Mean Value of Information Technology Adaption

Source : Survey data (2023)

Table (4.8) is reported the individual mean score of five questions for information technology adaption factors. The lowest mean score is 2.58 which question is IT integration improves communication and collaboration among supply chain stakeholders and therefore Pro 1 Global Home Center staffs seem not to be agreed with that. The highest mean score is the question relating to leveraging IT solutions leads to more accurate demand forecasting and better inventory management is 4.23 which is higher than neutral value 3. However, the overall mean score is 3.72 which is higher than the neutral value 3 and thus it can be concluded the information

technology adaption is effective, but it will be more effective if Pro 1 Global Home Center to consider again on the current information technology adaption.

### 4.4.5 Customer Perception of Inventory Control

Regarding with the inventory control factors, the staffs are required to respond total five questions. Under Table (4.9), data are presented about current employee perception on the inventory control factors.

Sr. No.	Items	Mean	Standard Deviation
1	Effective inventory control is crucial for optimizing supply chain management processes.	3.84	.952
2	Advanced technologies and data analytics improve inventory control accuracy and efficiency.	3.77	.984
3	Inventory control helps strike a balance between meeting customer demand and minimizing carrying costs.	3.43	.949
4	Inventory control strategies reduce the risk of stock outs and lost sales.	4.18	.927
5	Efficient inventory control fosters better collaboration and communication among supply	3.47	.992
	Overall Mean		3.77

 Table (4.9)
 Mean Value of Inventory Control

Source: Survey data (2023)

Table (4.9) is reported the individual mean score of five questions for the inventory control factors. The lowest mean score is 3.43 and the question is inventory control helps strike a balance between meeting customer demand and minimizing carrying costs. The highest mean score is 4.18 and the question is inventory control strategies reduce the risk of stock outs and lost sales. According to the result, all the mean value are higher than the neutral value 3 and therefore it can be concluded that the employee perception on the inventory control is very good. In order to maintain the perfect inventory control, Pro 1 Global Home Center just need to use advanced technology in well integration with inventory control practices.

In the summary Table (4.10) showed overall means and standard deviation results of supply chain management practices: supplier relationship, customer relationship, warehouse management, information technology adaption and inventory control and growth of sales as well as overall competitive position factors.

No.	Factors	Mean	Std. Deviation
1	Supplier Relationship	3.98	.83938
2	Customer Relationship	4.04	.77619
3	Warehouse Management	3.89	.62339
4	Information Technology Adaption	3.72	.44602
5	Inventory control	3.77	.47599
	Average Mean Score Value	3.88	

Table (4.10) Mean Values of Supply Chain Management Practices

Source: Survey Data (2023)

All the above result showed that the mean results of supply chain management practices: supplier relationship, customer relationship, warehouse management, information technology adaption and inventory control were above 3. That showed respondents' perceptions were good enough to accept these supply chain management practices are related to organizational performance.

#### 4.4.6 Employee Perception of Organizational Performance

Organizational Performance factors are measured with two variables, growth of sales and overall competitive position, in this study. Regarding with organizational performance factors, the staffs are required to respond total ten questions. Under Table (4.11), data are presented about current employee perception on the growth of sales factors.

Sr. No.	Items	Mean	Standard Deviation
1	Profit margin on sales is significantly increasing	4.37	1.004
2	Growth of sales is significantly increasing	4.32	.987
3	Growth of return on investment is significantly increasing	4.15	.969
4	Market share of Pro1 is significantly increasing	4.25	.999
5	Customers satisfaction at Pro1 is significantly increasing	4.22	1.068
6	Pro1 has a strong reputation for being a reliable home improvement store.	4.07	.988
7	Pro1can offer convenient hours of operation.	3.92	.898
8	Pro1can offer a wider selection of home improvement products than the competitors.	4.01	.850
9	Pro1 offers competitive pricing on the products.	3.59	.800
10	Suppliers' satisfaction is significantly increasing	3.89	1.014
	Overall Mean	2	4.08

<b>Table (4.11)</b>	Mean	Value of	Organizational	Performance
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Source : Survey data (2023)

Table (4.11) is reported the individual mean score of ten questions for organizational performance factors. The range of mean value ranged from 3.59 to 4.37. It indicated that respondents agreed organizational performance factors which are effective since the overall mean value is 4.08 which are greater than the statistical average 3. Standard deviations are lower than 1 that means data are less deviate from the mean and the result of survey data were more acceptable.

# 4.5 Analysis of the Effect of Supply Chain Management Practices on Organizational Performance

To analyze the effect of supply chain management practices on organizational performance, the multiple regression analysis is concluded, and the results are shown in Table (4.12). In this study organizational performance is considered by two variables (the growth of sales, overall competitive position).

Dependent Variable:	Unstanda	rdized	Standardized				
Organizational	Coeffici	ients	Coefficients	t	Sig	VIF	
Performance	В	SE	Beta				
(Constant)	.319	.298		-1.073	.286		
Supplier Relationship	.582***	.076	.577	7.701	.000	3.587	
Customer Relationship	.322***	.080	.295	4.034	.000	3.427	
Warehouse Management	.130	.081	.096	1.604	.112	2.286	
Information Technology Adaption	.153**	.067	.117	2.274	.025	1.685	
Inventory Control	077	.054	074	-1.431	.156	1.691	
R <sup>2</sup>		1	.850		1	I	
Adjusted R <sup>2</sup>	0.842						
F statistics	atistics 108.593***						
Statisti	cally signific	ant indica	ate ***at 1%, **	at 5%			

# Table (4.12) Effect of Supply Chain Management Practices on Organizational Performance

Source: SPSS Output (2023)

From the findings of Table (4.12), variance inflation factor (VIF) of 3.587 on supplier relationship, 3.427 on customer relationship, 2.286 on warehouse management, 1.685 on information technology adaption and 1.691 on inventory control indicated that all independent variables had not influenced each other since there is not collinearity and is acceptable among all independent variables if VIF value is less than 10.

In accordance with Table (4.12), all independent variables were positive and adjusted R-squared was 0.842 which indicated that the model is a good fit on organizational performance at Pro 1 Global Home Center.

Table (4.12) also reports the regression result showing the correlation between supply chain management practices and organizational performance. The standardized beta coefficient indicates the correlation between dependent and independent variable. The positive standardized coefficient (beta) means that an increase in variable of supply chain management practices leads to higher organizational performance, and vice versa. Supplier relationship has the greatest beta value with 0.577, meaning that an increase in relationship with supplier leads stronger organizational performance. Customer relationship has the second highest beta value with 0.295, indicating that the increase of relationship with customer increases toward better organizational performance. The beta value of Information Technology Adaption is 0.117, meaning that it also has some effects on organizational performance. There is negative correlation between Inventory Control and organizational performance since there is negative beta value (-.074).

According to the results of Table (4.12), p-value of supplier relationship was 0.000 and consider to be significant at 1% level. The result indicated that supplier relationship has a positive influence and dominant on the organizational performance. The p-value of customer relationship was 0.000 and consider to be significant at 1% level. The result indicated that customer relationship has a positive influence on the organizational performance. The p-value of information technology adaption was 0.025 and consider to be significant at 10% level. The p-value of warehouse management was 0.112 and consider not to be influence. This indicated that there is no influence of warehouse management on organizational performance. The p-value of information performance. The p-value of inventory control was 0.156 and consider not to be influence. This indicated that there is no influence of inventory control on organizational performance.

# CHAPTER (5) CONCLUSION

Based on the results of the data analysis, this last chapter is dedicated to make the conclusion on the results of this study. In this chapter the finding from the study of supply chain management practices and organizational Performance at Pro 1 Global Home Center in Yangon is presented. In the first part the result on the study of supply chain management practices and organizational Performance at Pro 1 Global Home Center is discussed. After that, suggestion and recommendations are presented. And then contribution of the study and recommendation of the study are presented.

### 5.1 Findings and Discussions

The main objective of study is to investigate the impact of supply chain management practices on organizational performance in Pro 1 Global Home Center. In this study, 102 respondents are surveyed to set the opinion for the objective of the study. Regarding the demographic factors of the respondents, majority of the respondents in this study is male, at the age of 25 to 35 years and single. Regarding the education of respondents, majority is bachelor's degree holders. Majority of the respondents are the supervisor level staff. In additions, most of the staff have 2-5 years working experience at Pro 1 Global Home Center and they get fair salary 1,000,0001 to 1, 500,000 Ks a month.

Regarding to Supplier Relationship, the study found that the employee perception of considering quality as their top criterion in selecting suppliers has the highest mean score. But the employee perception regarding with including their key suppliers in their planning and goal-setting activities has the lowest mean score.

In terms of Customer Relationship factors, the study found that the employee perception of frequently measuring and evaluating customers' satisfaction has the highest mean score and perception about frequently interacting with customers to set reliability, responsiveness, and other standards for Pro 1 Global Home Center has the lowest mean score.

The study found that the employee perception of advanced technologies plays a crucial role in enhancing productivity and accuracy in Warehouse Management has the highest mean score but perception about warehouse layout significantly improves operational efficiency in a warehouse facility sharing information with trading partners in advance of changing needs has the lowest mean score.

About the Information Technology Adaption factors, the study found that the employee perception of information exchange between their trading partners and their company is timely has the highest mean score and the perception about IT integration improves communication and collaboration among supply chain stakeholders is complete has the lowest mean score.

Relating to the Inventory Control factors, the study found that the employee perception of inventory control strategies reduces the risk of stock outs and lost sales has the highest mean score and the perception about inventory control helps strike a balance between meeting customer demand and minimizing carrying costs has the lowest mean score.

Organizational performance is considered with two variables in this study, the growth of sales and overall competitive position. Regarding the growth of sales factors, the study found that the employee perception of growth of sales is significantly increasing the highest mean score. Regarding the overall competitive position factors, the study found that the employee perception of their firm has a strong reputation for being a reliable home improvement store has the highest mean score and the perception about their firm offers competitive pricing on their products has the lowest mean score at Pro 1 Global Home Center.

Regarding to the finding based on the main objective of the study, it can be concluded that the supply chain management practices of supplier relationship and customer relationship has the strong positive effects on the organizational performance. Moreover, it can be concluded as the information technology adaption is also having a positive relationship with organizational performance.

### 5.2 Suggestions and Recommendations

The following suggestions are for Pro 1 Global Home Center on the effect of supply chain management practices on its organizational performance.

Firstly, to improve organizational performance level of Pro 1 Global Home Center, the firm should consider including their key suppliers in their planning and goal-setting activities since that point is having the lowest mean score regarding to supplier relationship. Moreover it is recommended to frequently interact with customers to set reliability, responsiveness, and other standards. This point is important is some of the employee in Pro 1 Global Home Center think there is no frequently interaction with customers has the lowest mean score as well. One recommendation for customer relationship in a home improvement retailer is to provide excellent customer service consistently. This means ensuring that customers are promptly, their concerns are addressed quickly and efficiently, and any questions or complaints are handled with care. Moreover, gathering customer feedback through surveys, social media, or other channels can help the retailer understand customer needs better, improve the shopping experience and ultimately build stronger relationships with customers.

Additionally, Pro 1 Global Home Center should re-consider about information technology adaption with trading partners in advance of changing needs. Based on the results, the recommendation for level and quality of information sharing with trading partners for a home improvement retailer is to develop deep supplier relationship. Therefore, the firm should implement formalized systems for sharing information.

Moreover, the study found that Pro 1 Global Home Center needs to think about warehouse management between the trading partners and the firm to be complete since it is the lowest mean score item and most of employee are dissatisfied on this point.

Finally, Pro 1 Global Home Center should consider inventory control factors for reduce the risk of stock outs and lost sales. Moreover, regarding to the organizational performance, Pro 1 Global Home Center should consider about their firm offers competitive pricing on their products since it is the lowest mean score among all points.

As a conclusion, this study suggests that Pro 1 Global Home Center need to be aware of the following things: should include their key suppliers in their planning and goal-setting activities, should frequently interact with customers to set reliability, responsiveness, and other standards and should re-consider about sharing information with trading partners in advance of changing needs, should think about information exchange between the trading partners and the firm to be complete, should well integrate of technology with inventory control management and should offer competitive pricing on their products . By doing this, Pro 1 Global Home Center will have more organizational performance. The more customer, supplier and employee is satisfied, they are committed to the firm and their performance will also be increased which may also improve the whole business performance of Pro 1 Global Home Center.

### 5.3 Needs for Further Research

This study emphasizes on supply chain management practices effect on employee performance of Pro 1 Global Home Center in Yangon only. Other states and divisions of Pro 1 Global Home Center are excluded in this study. And this study included head office of Pro 1 Global Home Center. Hence, further studies should observe not head office but other branches. And the furthers studies that based on other supply chain management practices and other employees and investigate the effect of supply chain management practices on organizational performance in different industries with larger sample size can also be more fruitful research if cost and time allows. Moreover, the research is applied by using self-rating likert-scale, open-ended questions should be included in next research. This study does not cover the whole home improvement retailer industry. Therefore, further researches should study other home improvement retailers or other retailers.

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### **Appendix-1**

### **QUESTIONNAIRE**

Dear Respondents,

I am one of the master students majoring a Master of Marketing Management at Yangon University of Economics. For the completion of master program, I am researching "**The effect of supply chain management practices on organizational performance in Pro 1 Global Home Center.**". This survey is part of my Master's thesis. Therefore, I would like to request to complete your responses in this survey. This questionnaire will take your time about five minutes to ten minutes. This research is basically for academic purposes; thus, your responses will be kept strictly anonymous and confidential. Thank you very much for giving your precious time.

#### Mg Peter Kyaw Moe

### **SECTION A: Demographic Profiles of Respondent**

Instruction: For the following items, please select the option that the best describe you.

- 1. Gender
  - □ Male
  - □ Female
- 2. Age
  - $\Box$  16 20 years old
  - $\Box$  21 25 years old
  - $\Box$  26 30 years old
  - $\Box$  31 35 years old
  - $\Box$  Above 35 years old

### 3. Marital Status

- $\Box$  Single
- □ Married
- □ Divorced

### 4. Education Level

- □ Graduated
- □ Master
- D Ph. D
- $\Box$  Others

### 5. Position

- □ Supervisor level
- □ Manager level
- □ Director
- □ Owner

### 6. Personal Monthly Income (Kyats)

- $\square$  Below and equal 500,000
- □ 500,001 to 1,000,000
- □ 1,000,001 to 1,500,000
- $\Box$  1,500,001 and above
- 7. For how long have you been working in this company?
  - $\Box$  Less than 1 year
  - $\Box$  1 to 5 years
  - $\Box$  Above 5 years

### SECTION B: The Effect of Supply Chain Management Practices on

### **Organizational Performance**

Instruction: Based on your opinion, please indicate the most appropriate response with the scale given below.

(1) = Strongly Disagree, (2) = Disagree, (3) = Neutral, (4) = Agree, (5) = Strongly Agree

### **Supplier Relationship**

No.	Questions	1	2	3	4	5
1	We consider quality as our number one criterion in					
	selecting suppliers					
2	We regularly solve problems jointly with our					
3	Our company regularly measures our supplier's					
	contribution to our profitability					
4	We include our key suppliers in our planning and					
	goal-setting activities					
5	Our company has formal performance goals for					
	supplier relationship management (SRM)					

### **Customer Relationship**

No.	Questions	1	2	3	4	5
1	Our company develops metrics that are related to					
	the customer's impact on our firm's profitability					
2	Our firm measures customers' profitability over					
	time					
3	We frequently interact with customers to set					
	reliability, responsiveness, and other standards for					
	us					
4	We frequently measure and evaluate customers'					
	satisfaction					
5	We periodically evaluate the importance of our					
	relationship with our customers					

# Warehouse Management Factors

No.	Questions	1	2	3	4	5
1	An efficiently optimized warehouse layout					
	significantly improves operational efficiency in a					
	warehouse facility.					
2	Maximizing space utilization is crucial for					
	optimizing storage capacity in a warehouse.					
3	Advanced technologies play a crucial role in					
	enhancing productivity and accuracy in					
	warehouse management.					
4	Data analytics and performance metrics are					
	essential for making data-driven warehouse					
5	A well-organized and systematic approach to					
	warehouse management positively influences					
	overall supply chain performance.					

# Information Technology Adaption Factors

No.	Questions	1	2	3	4	5
1	The effective adoption of Information Technology					
	(IT) significantly enhances supply chain					
2	IT integration improves communication and					
	collaboration among supply chain stakeholders.					
3	Leveraging IT solutions leads to more accurate					
	demand forecasting and better inventory					
	management.					
4	IT facilitates seamless integration of suppliers,					
	manufacturers, and distributors within the supply					
	chain.					
5	IT adaptation is essential for staying competitive					
	in the rapidly evolving global supply chain					
	landscape.					

# **Inventory Control Factors**

No.	Questions	1	2	3	4	5
1	Effective inventory control is crucial for optimizing					
	supply chain management processes.					
2	Inventory control helps strike a balance between					
	meeting customer demand and minimizing carrying					
	costs.					
3	Advanced technologies and data analytics improve					
	inventory control accuracy and efficiency.					
4	Inventory control strategies reduce the risk of stock					
	outs and lost sales.					
5	Efficient inventory control fosters better					
	collaboration and communication among supply					

## **Organizational Performance**

No.	Questions	1	2	3	4	5
1	Growth of sales is significantly increasing					
2	Our profit margin on sales is significantly increasing					
3	Growth of return on investment is significantly increasing					
4	Our market share is significantly increasing					
5	Our customers satisfaction is significantly increasing					
6	Our suppliers satisfaction is significantly increasing					
7	Our firm offers convenient hours of operation.					
8	Our firm offers a wider selection of home improvement products than our competitor.					
9	Our firm offers competitive pricing on our products					
10	Our firm has a strong reputation for being a reliable home improvement store.					

.....Thank You.....

# Appendix-2

# Output

# Frequency Table

	gender										
		Frequency	Percent	Valid Percent	Cumulative Percent						
Valid	male	73	71.6	71.6	71.6						
	female	29	28.4	28.4	100.0						
	Total	102	100.0	100.0							

age
-----

-					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	25 to 35 years old	52	51.0	51.0	51.0
	35 to 45 years old	37	36.3	36.3	87.3
	above 45 years old	13	12.7	12.7	100.0
	Total	102	100.0	100.0	

### education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	graduated	64	62.7	62.7	62.7
	master	36	35.3	35.3	98.0
	Ph.D	2	2.0	2.0	100.0
	Total	102	100.0	100.0	

### maritalstatus

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	70	68.6	68.6	68.6
	married	32	31.4	31.4	100.0
	Total	102	100.0	100.0	

### position

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	supervisor level	45	44.1	44.1	44.1
	manager level	34	33.3	33.3	77.5
	director	20	19.6	19.6	97.1
	owner	3	2.9	2.9	100.0
	Total	102	100.0	100.0	

### salary

-					Cumulative	
		Frequency	Percent	Valid Percent	Percent	
Valid below and equal 50	below and equal 500,000	5	4.9	4.9	4.9	
	kyats	5	4.9	4.9	4.9	
	500,001 to 1,000,000 kyats	7	6.9	6.9	11.8	
	1,000,001 to 1,500,000 kyats	39	38.2	38.2	50.0	
	1,500,001 kyats and above	51	50.0	50.0	100.0	
	Total	102	100.0	100.0		

#### experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	under 1 year	7	6.9	6.9	6.9
	2-5 years	52	51.0	51.0	57.8
	over 5 years	43	42.2	42.2	100.0
	Total	102	100.0	100.0	

# **Descriptive Statistics**

	Ν	Minimum	Maximum	Mean	Std. Deviation
SR1	102	1	5	4.16	.972
SR2	102	1	5	4.07	.998
SR3	102	1	5	3.91	.924
SR4	102	1	5	3.74	.820
SR5	102	1	5	4.03	.957
Valid N (listwise)	102				

### **Descriptive Statistics**

### **Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
CR1	102	1	5	4.21	.894
CR2	102	1	5	4.12	.947
CR3	102	1	5	3.65	.930
CR4	102	1	5	4.45	.828
CR5	102	1	5	3.79	.958
Valid N (listwise)	102				

### **Descriptive Statistics**

	Ν	Minimum	Maximum	Mean	Std. Deviation
W1	102	1	5	3.72	.920
W2	102	1	5	3.75	.838
W3	102	1	5	4.46	.864
W4	102	1	5	4.42	.801
W5	102	1	5	4.10	.827
Valid N (listwise)	102				

### **Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IT1	102	1	5	3.58	.844
IT2	102	1	5	3.48	.898
IT3	102	1	5	4.23	.911
IT4	102	1	5	4.13	.897
IT5	102	1	5	3.86	.797
Valid N (listwise)	102				

### **Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IV1	102	1	5	3.84	.952
IV2	102	1	5	3.77	.984
IV3	102	1	5	3.43	.949
IV4	102	1	5	4.18	.927
IV5	102	1	5	3.47	.992
Valid N (listwise)	102				

### **Descriptive Statistics**

	Ν	Minimum	Maximum	Mean	Std. Deviation
GS1	102	1	5	4.37	1.004
GS2	102	1	5	4.32	.987
GS3	102	1	5	4.15	.969
GS4	102	1	5	4.25	.999
GS5	102	1	5	4.22	1.068
Valid N (listwise)	102				

### **Descriptive Statistics**

	Ν	Minimum	Maximum	Mean	Std. Deviation
OCP1	102	1	5	4.07	.988
OCP2	102	1	5	3.92	.898
OCP3	102	1	5	4.01	.850
OCP4	102	1	5	3.59	.800
OCP5	102	1	5	3.89	1.014
Valid N (listwise)	102				

### **Descriptive Statistics**

	Ν	Minimum	Maximum	Mean	Std. Deviation
SR	102	1.40	5.00	3.9804	.83938
CR	102	1.40	5.00	4.0431	.77619
LIS	102	1.20	5.00	3.8902	.62339
QIS	102	2.60	4.80	3.7216	.44602
JIT	102	2.40	4.80	3.7725	.47599
GS	102	1.00	5.00	4.2608	.94179
OCP	102	1.20	5.00	3.8961	.79739
Valid N (listwise)	102				

# Correlations

			Correlation	าร			
		OP	SR	CR	W	IT	IV
OP	Pearson Correlation	1	.896**	.846**	.720**	.121	.003
	Sig. (2-tailed)		.000	.000	.000	.224	.976
	Ν	102	102	102	102	102	102
SR	Pearson Correlation	.896**	1	.826**	.717**	.067	.024
	Sig. (2-tailed)	.000		.000	.000	.505	.811
	Ν	102	102	102	102	102	102
CR	Pearson Correlation	.846**	.826**	1	.704**	.053	011
	Sig. (2-tailed)	.000	.000		.000	.594	.913
	Ν	102	102	102	102	102	102
W	Pearson Correlation	.720**	.717**	.704**	1	031	083
	Sig. (2-tailed)	.000	.000	.000		.757	.405
	Ν	102	102	102	102	102	102
IT	Pearson Correlation	.121	.067	.053	031	1	.634**
	Sig. (2-tailed)	.224	.505	.594	.757		.000
	Ν	102	102	102	102	102	102
IV	Pearson Correlation	.003	.024	011	083	.634**	1
	Sig. (2-tailed)	.976	.811	.913	.405	.000	
	Ν	102	102	102	102	102	102

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

## Regression

_	Model Summary					
				Adjusted R	Std. Error of the	
Мо	del	R	R Square	Square	Estimate	
1		.922ª	.850	.842	.33687	

a. Predictors: (Constant), IV, CR, IT, W, SR

**ANOVA**<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.618	5	12.324	108.593	.000 <sup>b</sup>
	Residual	10.895	96	.113		
	Total	72.513	101			

a. Dependent Variable: OP

b. Predictors: (Constant), IV, CR, IT, W, SR

		Unstand	ardized	Standardized				
		Coeffic	cients	Coefficients			Collinearity	Statistics
Mod	el	В	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	319	.298		-1.073	.286		
	SR	.582	.076	.577	7.701	.000	.279	3.587
	CR	.322	.080	.295	4.034	.000	.292	3.427
	W	.130	.081	.096	1.604	.112	.438	2.286
	IT	.153	.067	.117	2.274	.025	.594	1.685
	IV	077	.054	074	-1.431	.156	.592	1.691

**Coefficients**<sup>a</sup>

a. Dependent Variable: OP

## Reliability

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.925	5

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.904	5

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.732	5

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.697	5

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.896	5

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.965	5

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.922	5