

The Impact of Supply Chain Management Practices on Supply Chain Performance Effectiveness in poultry Industry of Saudi Arabia.

Abstract

A majority of existing studies have examined positive relationship between Supply Chain Management Practice components and Supply Chain Performance effectiveness. This study emphasizes how Saudi Arabia's poultry industry's supply chain performance and effectiveness are affected by supply chain management practices. *Background:* This study aimed to ascertain whether supply chain management were connected to the organization's supply chain performance effectiveness. Additionally, the study tried to determine whether the supply chain management components (source, inventory, production, location, etc.) were linked to the organization's supply chain performance efficacy. The study also determined whether Supply Chain Management predicted Supply Chain Performance Evaluation. *Method:* The questions were investigated using quantitative research design. Data was gathered using a questionnaire adopted by Marhamati and Azizi.. Based on 80 samples of Al-watnia poultry employees and customers, the study was conducted. Descriptive method was used by mean and standard deviation. Cumulative analysis and correlation analysis were done to get the results. *Result:* Based on the findings, it has been found that there is relationship of supply chain management with company performance under different business conditions. The results showed that there was moderate positive association between supply chain management and company performance. *Conclusion:* The present study had focused on the Supply Chain Management Practices and Supply Chain Performance Evaluation in Saudi Organizations. This study will prove to be a fruitful contribution to the existing literature as the level of the competition among the companies is very high.

Keywords: Supply Chain Management Practice, Supply Chain Performance effectiveness, Al-Watnia poultry, Cumulative analysis

Introduction

Supply chain management encompasses all management activities associated with the flow and transformation of the raw material into final product. Dewitt, et al., (2001) define supply chain management as “the management of demand, the sourcing of raw material and parts, the manufacturing

and assembly of finished products, warehousing, the tracking of inventories, order entry and management, physical distribution, and delivery to the end customers”.

SCM practices have been defined as the approaches that are applied in managing integration and coordination of supply, demand and relationship in order to satisfy the customer in an effective way. (Krause & Scannell, 2002).

Supply chain management consist of different methods and approaches which can manage different suppliers, different type of manufacture, wholesalers and retailers and the end user to improve the performance of a firm for long time, it also uses to improve the performance and continuity of supply chain in the business effectively (Chopra, & Meindl, 2001)

Research conducted by Green, McGaughey, and Caesy (2006) found positive relationship in Supply Chain Management practices and Supply Chain Performance Effectiveness in Larger companies than in smaller ones.

Many studies have been conducted on dimensions of the SCM practices. Cook and Heiser (2001) found a positive relationship between SCM practices and organizational performance. The SCMP dimensions they studied were information sharing, long term relationship, advanced planning technique, leveraging the internet, and supply and distribution network structures. Their study had a significant result on the performance of the organization.

Literature review

Supply chain management (SCM) has become a hot research area during the last decade. Already many researchers have already discussed this topic.

A study conducted by Abdullah, Obeidat, and Noor (2014) on The Impact of Supply Chain Management Practices on Supply Chain Performance in Jordan: The Moderating Effect of Competitive Intensity. They found that three supply chain management practices, internal integration, information sharing, and postponement, but not supplier integration and customer integration, significantly and positively affect supply chain efficiency performance.

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Similarly Li et al. (2004) developed a measure of SCM practices. According to that there are five dimensions of SCM practices: supplier and customer relationship, level and quality of information sharing, postponement. Lee et al. (2007) measured the SCM practices using customer linkage, supplier linkage, and internal linkage. He found positive relationship among all these practices.

A research conducted by Green, McGaughey, and Caesy (2006) found positive relationship in Supply Chain Management practices and Supply Chain Performance Effectiveness in Larger companies than in smaller ones.

A study conducted by Ibrahim, and Hamid (2014) on Supply Chain Management Practices and Supply Chain Performance Evaluation found that if efforts are put in a better Supply Chain Management Practice than it will lead to better performance. The results of the study indicted positive relationship between Supply Chain Management Practice components and Supply Chain Performance effectiveness.

According to Koh et al. (2007) there are different sets of activities taken by the organizations to promote the powerful administration of their supply chain. Min & Mantzar gave seven dimensions of SCM practice: greed vision and goals, information sharing, risk and award sharing, cooperation, process integration, long term relationship, and a greed supply chain leadership.

On the basis of the previous literature the study has focused on five basic dimensions of SCM practices: supplier and customer relationship, level and quality of information sharing, postponement.

Methodology

For data collection Questionnaires adopted by Marhamati and Azizi (Marhamati, A., Azizi, I., & Marhamati, 2017). All the items were scored using a five-point Likert Scale. Participants were employees/customers of Al-Watania poultry company Saudi Arabia. A random sample of 80 employees were selected.

Data Processing and Analysis

For data analysis Excel was used. Descriptive statistical techniques like Mean along with correlation analysis were used.

Demographic Data

Table 1 presents the frequency distribution. In term of gender, 35% were females and 65% were males. In terms of age, 11 % of employees were from 18-25, 20 % of the employees were of the age 26-29, 30 % were 30 to 35 years old, and 39% were 36 to 40 years old. In terms of education level, 32 % had a bachelor's degree, 58 % of the employees held a master's degree, and 13% were M Phil's. In terms of experience in years, 41% of the employees had 4 to 7 years of experience, 37% of employees had 8 to 10 years, 15% had less than 1 year of experience, and 7% of employees had 1–3-year experience.

Table 1

Variable	Percent
Gender	Male 65
	Female 35
Age	18-25 11
	26-29 20
	30-35 30
	36-40 39
Education	Bachelors 32
	Masters 58
	MPhil 13
Experience Level	<1 year 15
	1-3 year 7
	4-7 year 41
	8-10 year 37

Descriptive statistics

Based on Table 2 it is clear that Supply chain Performance has an average mean of 3.643 with a standard deviation of 1.26.

Table 2. Descriptive Statistics

Statement	Mean	S.D
This Poultry industry work together with buyer to improve operations and logistics processes	3.74	1.27
Customer satisfy with the available products quality and reliability	4.04	1.15
Containers and packaging instruments of outgoing materials are adapted to the precise requirements of the key buyer	3.44	1.42
Stock Inventory of all Poultry products maintain properly and meet customer expectation	3.75	1.33
Technology system which are currently used for overall supply chain are updated and effective enough	3.65	1.31
This company has ability to respond to and accommodate the periods of poor delivery performance	4.0	1.14
This company has ability to respond to and accommodate new products, new markets or new competitors	4.12	1.07
Employees satisfy with their job and trust level by the leadership is high	3.72	1.33
Organization worker and systems are based on traditional tools.	3.95	1.36
Cottage, Small and Medium Enterprises (CSME) plan an important role in the development of our country economy	2.02	1.22
Total Average	3.643	1.26

Cumulative Analysis

Table 3 presents the cumulative analysis of factors supply chain management and Performance effectiveness. The mean value of Supply Chain Management was 3.25 while Standard Deviation was 1.34. While for Performance Effectiveness Mean and SD were 3.16 and 1.22 consequently.

Table 3: Cumulative Analysis

Factors	Mean	Standard Deviation
Supply chain Management	3.25	1.34
Performance Effectiveness	3.16	1.22

Correlation Analysis

Pearson Product Moment Correlation was calculated to find out the relationship between two variables. It was found that there is a moderate positive association between supply chain management, and company performance. Table 4 presents the result of correlational analysis of the two variables.

Factors	Correlation Value
Supply Chain Management & Performance Effectiveness	0.63

Conclusion

The main aim of current research was to determine the Impact of Supply Chain Management Practices on Supply Chain Performance Effectiveness in poultry Industry of Saudi Arabia. The study results show a significant positive relationship between supply chain management, and company performance under different business conditions.

Recommendations

Based on the research findings following recommendations should be taken into consideration.

1. Companies should facilitate the suppliers.
2. It should introduce new products of Poultry in market.
3. There should be fast delivery of the Poultry products
4. Company should increase the relationships with customers.

Limitations

While this research helps out in finding that how Saudi Arabia's poultry industry's supply chain performance and effectiveness are affected by supply chain management practices. Since the current research is a quantitative study, further studies should be conducted using mixed methods. Secondly, the sample size was very small which may affect the generalization of the study. In future projects, data can be collected from more companies and different sectors of companies, in order to determine

whether the findings differ across companies. Thirdly the time and financial resources were very limited.

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