

**ANALYSIS OF FACTORS AFFECTING PERIODIC INVENTORY
CONTROL IN RELATION TO WORK FLOW: A CASE STUDY OF MEGA
WHOLESALEERS, NAIROBI**

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DECLARATION

This research project is my original work and has not been presented for a diploma or any other award in any other university

Sign:

Date:

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DSM/7/00051/1/20

This research project has been submitted for examination with my approval as the University Supervisor:

Sign:

Date:.....

David Okoth

The Management University of Africa

DEDICATION

This project is dedicated to my family. Especially my mother who struggles to assist me to reach this point she have been very instrumental in ensuring that I complete my research project. Thanks to them and God bless them.

ACKNOWLEDGEMENT

I wish to acknowledge the Almighty Allah for the good health, strength and providing me with all resources that I needed to do the project. I would also like to acknowledge my Supervisor David Okoth, for support and guidance towards development of this project.

ABSTRACT

The purpose of the study was determine the factors affecting periodic inventory control in relation to work flow. A case study of Mega Wholesalers, Nairobi. The specific objectives of the study were to establish how information technology, staff competence and lead time affect periodic inventory control in relation to work flow. The study will be significance to the management of Mega Wholesalers, management of other organizations and the government of Kenya. The study will use descriptive research plan. The target population for the learning is projected at 186 employees from whom a sample size of 93 respondents will be selected using stratified random sampling. The instrument for data collection that will be used is questionnaire; data will be analyzed using quantitative and qualitative methods. Qualitative data will be presented in form of descriptive notes while quantitative data will be submitted in form of tables and figures. From the study, findings 92% of the respondents noted that information technology effects on periodic inventory control in relation to work flow while 8% said it has no effect, staff competence affect periodic inventory control in relation to work flow by 88%, while 12% said it has no effect, Lastly lead time by 88% while 12% said it has no effect. The research recommended that for effective role of inventory management to be achieved the government through the organizations needs to lay more emphasis on enforcing the laid-out procedures in Mega Wholesalers, Nairobi by conducting regular audits. It was evident that at times, the procurement procedures were not fully observed and shortcuts were used to ensure goods and services are procured. Also the procurement department should ensure that the hospital is well equipped with procurement plan as it would provide the organization with the information about the purchase of goods and services, how vendor will be chosen, what kind of contract will be used, how vendor will be managed and who will be involved at each stage of the process. E-procurement should be implemented in Mega Wholesalers, Nairobi since with proper implementation is an organized form of open communication. It allows managers to confirm, cutting down on unnecessary purchases and cost and therefore inventory management.

TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES.....	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
OPERATIONAL DEFINATION OF TERMS.....	x

CHAPTER ONE

INTRODUCTION OF THE STUDY

1.1 ITRODUCTION.....	1
1.1 BACK GROUND OF STUDY.....	1
1.2 STATEMENT OF PROBLEM.....	3
1.3 OBJECTIVES OF STUDY.....	3
1.4 RESEARCH QUESTIONS.....	4
1.5 SIGNIFICANCE OF STUDY.....	4
1.6 SCOPE OF STUDY.....	4
1.7 CHAPTER SUMMAREY.....	4

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction	5
2.2 Review of Theories of the study.....	5
2.3 Empirical Literature Critical Review.....	11
2.4 Conceptual Framework	15
2.5 Operationalization of Variables.....	16
2.6 Chapter Summary.....	17

CHAPTER THREE

RESEARCH PLAN AND METHODOLOGY

3.1	Introduction	18
3.2	Study Design	18
3.3	Target population.....	19
3.4	Sample Design.....	20
3.5	Data Collection Procedures.....	21
3.6	Data Analysis Methods.....	22
3.7	Ethical Considerations on Research	23
3.7	Chapter Summary.....	24

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1	Introduction.....	25
4.2	Presentations of Findings.....	25
4.3	Summary of Data Analysis.....	26

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1	Introduction.....	26
5.2	Summary of Findings.....	26
5.3	Conclusions.....	27
5.4	Recommendations.....	28
5.5	Suggestion for Further Study.....	29
REFERENCES.....		30

APPENDICE

Appendix I: Questionnaire

LIST OF TABLES

Table 3.1	Target Population.....	23
Table 3.2	Sample Size.....	24
Table 4.1	Response Rate.....	26
Table 4.2	Gender of the Respondents.....	27
Table 4.3	Higher Level of Education.....	28
Table 4.4	Age of the Respondents.....	29
Table 4.5	Time of Service.....	30
Table 4.6	Effect of Information Technology on periodic inventory	31
Table 4.7	Rating of Information Technology on periodic inventory	32
Table 4.8	Effect of Staff Competence on periodic inventory	33
Table 4.9	Rating of Staff Competence on periodic inventory	34
Table 4.10	Effect of Lead Time on periodic inventory.	35
Table 4.11	Rating of Lead Time on inventory management	36

LIST OF FIGURES

Figure 1.1	Organizational Structure.....	6
Figure 2.2	Conceptual Framework.....	25
Figure 4.1	Response Rate.....	26
Figure 4.2	Gender of the Respondents.....	27
Figure 4.3	Higher Level of Education.....	28
Figure 4.4	Age of the Respondents.....	29
Figure 4.5	Time of Service.....	30
Figure 4.6	Effect of Information Technology on periodic inventory	31
Figure 4.7	Rating of Information Technology on periodic inventory	32
Figure 4.8	Effect of Staff Competence on periodic inventory	33
Figure 4.9	Rating of Staff Competence on periodic inventory	34
Figure 4.10	Effect of Lead Time on periodic inventory.	35
Figure 4.11	Rating of Lead Time on periodic inventory.....	36

LIST OF ABBREVIATIONS

EOQ	Economic Order Quantity
EPOS	Electronic Point of Sale
IT	Information Technology
JIT	Just in Time
MIS	Management Information System
MUA	Management University of Africa

Operational Definition of Terms

Information Technology	Is term for information technology (IT) which stresses the role of unified communications and the integration of telecommunications (telephone lines and wireless signals), computers as well as necessary enterprise software, middleware, storage, and audio.
Lead Time	The amount of time that elapses between when a process starts and when it is completed.
Staff Competence	Are a list of skills and behaviors that are specific and well defined and are used to lay out an organization's performance expectations for a job or the organization's culture as a whole

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter outlines the introduction of the learning, statement of the challenges, objectives of the study, research questions, significance of the study, the scope of the study and chapter summary.

1.1 Background of the Study

Kotler (2008) defines periodic inventory review involves counting and documenting inventory at specified times. For example, a retail store operating under a periodic review policy might count inventory at the end of each month. Continuous inventory review, also known as perpetual review, involves a system that tracks each item and updates inventory counts each time an item is removed from inventory. For example, a retailer may use bar code scanners to record customer purchases and update inventory counts every time a cashier scans a product code.

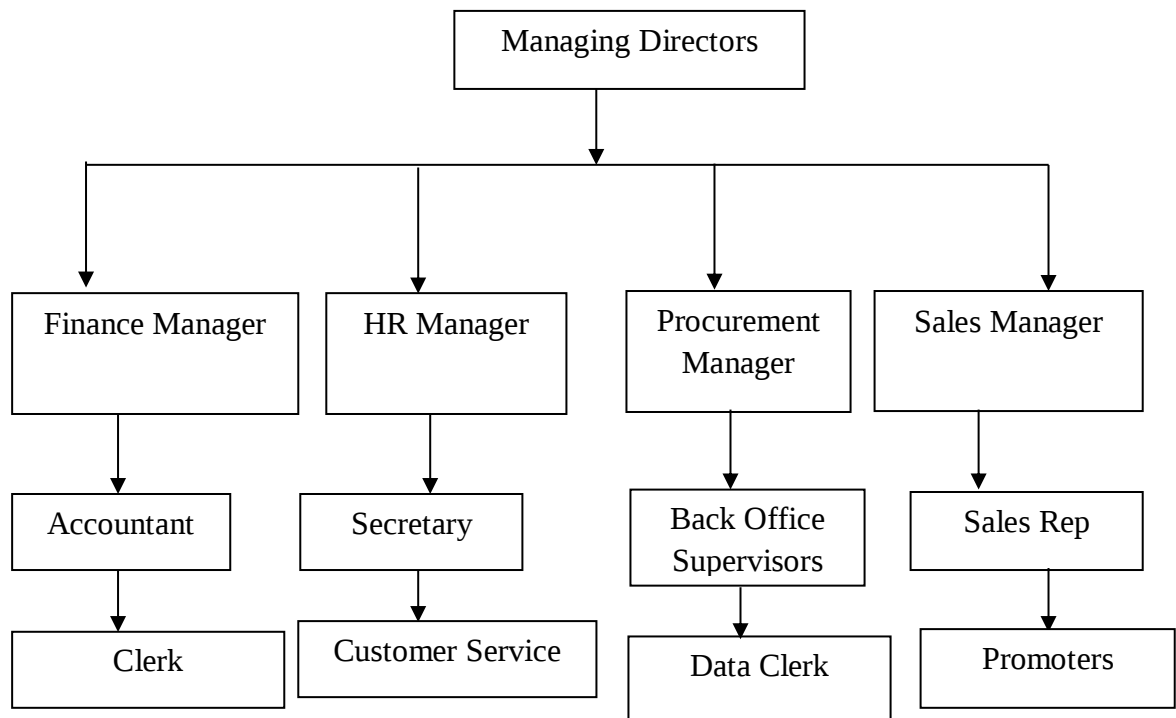
Periodic inventory review reduces the time a business owner or manager spends analyzing inventory counts, which allows more time for other aspects of running the business. However, it may not provide accurate inventory counts for businesses with high-volume sales. The owner or manager must make assumptions between inventory review periods regarding inventory counts. This can make it difficult to ascertain when reordering items are necessary. It also can make accounting less accurate (Kenneth, 2010). Hallick (2009) argues that tracking inventory is an essential part of business operations for any company that sells tangible goods. Periodic and continuous reviews are two common methods used to track inventory for accounting and ordering purposes. Policies providing for each type of inventory review have advantages and disadvantages. Perpetual inventory review permits real-time updates of inventory counts, which can make it easier to know when to reorder items to replenish inventory. This method of inventory review also facilitates accurate accounting, since the inventory system can generate real-time costs of goods sold. The main disadvantage of

this type of inventory review is the cost of implementation - bar code scanners, inventory software and computer systems are all necessary to maintain perpetual inventory review.

According to Lysson (2010) the type of inventory review policy appropriate for a business depends on several factors, including the sales volume of the business and the number of employees handling inventory. A sole proprietorship with limited sales may not need to adopt a continuous review policy to maintain a level of accuracy necessary to continue business operations. Conversely, a large retailer with numerous employees handling merchandise may have difficulty maintaining accurate inventory counts under a periodic inventory review policy.

PIS systems have connectivity (communications to plant floor equipment) as part of their product offering. This requires that the vendors offer specific support for the plant floor equipment their customers operate. PIS vendors must be experts in their own products and connectivity to other vendor products, including those of their competitors. PIS systems connect to plant floor data sources through staging tables in a database. The benefit of staging is that PIS vendors do not need to master the complexities of equipment integration. Connectivity becomes the responsibility of the systems integrator (Norman, 2011).

Figure 1.1 Organization Structure of Mega Wholesalers, Nairobi



Source: Mega Wholesalers, Nairobi (2021)

1.2 Statement of the Problem

Many companies are uncertain about whether they have the appropriate resources to successfully enforce the periodic inventory control system on inventory management solution model. Enforcing the process of periodic inventory control system on inventory management solution requires not only that the system itself successfully performs the purchasing process, but most important, that it integrates with the existing information infrastructure. This internal information infrastructure includes systems such as accounting, human resources, asset management, inventory management, accounts payable, production planning, and cash management systems. Failure to integrate creates duplicative work steps and makes difficulty in the reliability of organizational information.

Implementation of Periodic Inventory Control System on stock control has been the subject of alot discussion and great expectation. Companies have been disappointed

with what Periodic Inventory Control System on inventory management models have delivered to date. Nevertheless, in most cases, these models and procedures present attractive value propositions for greater efficiency, reduced costs and reduced frauds. There is a limited amount of research on factors that influence periodic inventory control in relation to work flow. This study wishes to fill this present gap

1.3 Objective

The main objective of the research was to determine the factors affecting periodic inventory control in relation to work flow.

1.3.1 Specific Objectives

- i. To establish the effect of information technology on periodic inventory control in relation to work flow.
- ii. To find out the effect of staff competence on periodic inventory control in relation to work flow.
- iii. To establish the effect of lead time on periodic inventory control in relation to work flow.

1.4 Research Questions

- i. How does information technology affect periodic inventory control in relation to work flow?
- ii. To what extent does staff competence affect periodic inventory control in relation to work flow?
- iii. How does lead time affect periodic inventory control in relation to work flow?

1.5 Significance of the Study

The research study will be of significance to the management of Mega Wholesalers, Nairobi, it will help top management to understand issues affecting periodic inventory control in relation to work flow. Identifying areas that the company has not been doing right or areas that have been ignored though they are useful to the company, the findings that will obtain from various respondents can help the management to make the concrete decision on how well the Mega Wholesalers, Nairobi can be sustained.

The success of Mega Wholesalers, Nairobi, can easily translate to the success of other management other supermarkets this can be in position to emulate the path that Mega Wholesalers, Nairobi, has undertaken so as to improve its business practices that involved benchmarking.

1.6 Scope of the Study

The research will be carried out to analyze the factors affecting periodic inventory control in relation to work flow A case study of Mega Wholesalers, Nairobi which located along Mombasa Road, Nairobi County. The target population was 210 employees of Mega Wholesalers, Nairobi with a sample size of 105 employees. The research study will be carried out from January 2021 to August 2021.

1.7 Chapter Summary

This chapter outlines the introduction of the study, list of the challenges, objectives of the research, research questions, significance of the study, the scope of the learning and chapter summary.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter entails review of past studies so as to know and understand authors, other researchers and publications written in relation to the study variables. It also constitutes of review of theories of the study, empirical review, literature summary and research gaps conceptual framework, operationalization of variables and chapter summary.

2.1 Theoretical Literature Review

The theories in literature are factored to assist in explaining key facts of the writing and its composition. Facts were noted and prediction on the existing knowledge was critical and highlighted.

2.1.1 Theory of Constraints

The theory of constraints is a management philosophy that seeks to increase manufacturing throughput efficiency measured by sales through the identification of those processes that are constraining the manufacturing system. The difficulties in the theory of constraints are: very long lead times, large number of unfulfilled orders, high level of unnecessary inventories or lack of relevant inventories, wrong materials order, large number of emergency orders and expedition levels, lack of customers engagement, absence of control related to priority orders which implies on schedule conflicts of the resources. The theory emphasizes focus on effectively managing the capacity and capability of these constraints to improve productivity and this can be achieved by manufacturing firms applying appropriate inventory control practices. Theory of constraints is a methodology whose basis is applied to production for the minimization of the inventory (Cooper, 2006).

2.1.2 Lean Theory

Lean theory is prolonging of ideas of just in time. The theory excludes buffer stock and minimizes waste in production process. Inventory leanness positively affects the profitability of a business firm and is the best inventory control tool. Firms that are leaner than industry average generally see positive returns to leanness. The theory

involved on how production gains flexibility in their ordering decisions, minimize the stocks of inventory held on site and exclude inventory carrying costs. Scholarly studies indicate that companies successfully improve inventory through lanky supply chains practices to gain high levels of asset use and customer satisfaction leading to improved growth, profitability and market share. Condemn leveled against the theory is that it can only be a practicable when there is a close and long-term cooperation and sharing of information between a firm and its trading partners (Williams, 2008).

2.1.3 Stock Diffusion Theory

A stock diffusion theory was pioneered by Braglia, Gabbrielli and Zammori (2013) with an intention to derive the probability distribution of the stock consumption and that of the reorder time. These authors further explained that the importance of stock diffusion theory is to assess and evaluate the required inventory levels in theory and practice. These considerations can prevent shortages and wasteful spending. In addition, the stock diffusion theory has been confirmed to lower inventory level and has a direct impact on cost savings emanating from storage costs including stock insurance premiums.

2.2. Empirical Literature Review

The variable under this section were each discussed and it looked closely to other scholars' work in relation of the effects to work flow and performance.

2.2.1 Information Technology

Periodic inventory control is a key operations management activity, effective inventory management is critical to the smooth operation of most businesses and their supply chains. Good inventory management has an impact on operations, marketing and finance departments. Poor periodic inventory control hinders operations, reduces customer satisfaction and raises operating costs. In Zimbabwe, on their study revealed that inventory management, storage and distribution of goods to users is efficiently done for example to hospitals drugs are distributed in an efficient manner because qualified people are employed with right qualifications and experience in materials related functions and the entire system of inventory management is computerized to ensure good performance (Lisa, 2013).

Musara, (2012), conducted a study and revealed that the majority of organizations are not applying Just In Time (JIT) periodic inventory control, he added that there are challenges impeding the implementation of Just In Time (JIT) principles in the organizations, these challenges include, lack of reliable supplier networks, lack of capital and lack of knowledge of immediate financial gain among others, further more statistically significant positive correlations between the application of JIT periodic inventory control and cost efficiency, quality and flexibility were found. It is therefore deduced that organizations can benefit significantly in terms of improved quality of products, increased operational, costs cuts and increased flexibility by applying the JIT inventory management principle.

Information communication technology is a active force of any firm. To prevail in his day-to-day work, an stock manager needs information communication technology. Computers are the key tools of ICT which aids in inventory control by ensuring that user wants are happy through computation of the best number of stock to dispatch and stock to hold. This is achieved by computer through comparing inventory variables (stock levels, demand and delivery dates). One of the systems that allow direct communication among the organization without there being any individual's interruption is the Electronic Data Interchange (EDI). All the firm's movements are properly key by ensuring the supplier's and customer's computers as they cross-examine one another similar information, production plans and stock levels (Lysons, 2012).

Due to change and speed communication, the firm attains decrease in lead times, paperwork, staff expenses and higher information accuracy. Another technology used in stock inventory control is Electronic Point of Sale (EPOS) whose main objective is to obtain information concerning goods sold through scanning. Also EPOS system has various activities that it conducts; sends out intra-and inter-stores messages, verifies checks, charges transactions and needs instant sales reports. This allows information to buyers, risk of obsolescence is depletion as well as theft cases and stock deterioration and that not only lead to boost customer service and therefore raise financial performance of a firm (Lysons, 2012).

Morgan (2009), conducted a research study in United States of America on inventory management performance to Alien Technology Corporation. That was involved with

pharmaceutical products where by other companies wins to supply of product to the government of United States of America because of its good customer services well organized and planned. The findings revealed that Alien Technology Corporation is almost 95% efficiency on periodic inventory control where by the corporation manufactures products very high volume and at a low cost. The company provides a family of Radio Frequency Identification product for a variety application including supply chain management, logistics to improve periodic inventory control and reduce operating costs.

Rick (2018), revealed that organization's goal and satisfaction are achievable within the given time limitations, however control of inventory system which typically represents 45% to 90% of all expenses for an organization, is needed to ensure that it has the right goods on hand to avoid stock outs also to prevent shrinkage and run certain accounting, many organizations have fair enough of their limited resources, capital tied up in their major assets and inventory. Worth than that, they may have their capital tied up in the wrong kind of inventory. Inventory may be old, worn out, shop worn, obsolete, or the wrong size, or colors, or there may be an imbalance among different product lines that reduces the customer appeal and concerns of the total operation.

Namagembe, (2010), indicates that a important positive relationship between information sharing and periodic inventory control that if chain partners administration information technologies and collaborate among each other, then periodic inventory control could improve, also in her study revealed that a significant positive relationship between inventory management and customer satisfaction means that in order to obtain high levels of customer satisfaction there is need for better inventory management. She further showed that significant positive relationship between information sharing and customer satisfaction which implies that increased levels of information sharing among chains partners lead to improved levels in customer satisfaction.

To prevail in his day-to-day duties, a stock manager needs information communication technology. Computers are the fundamental tools of ICT which aids in inventory control by ensuring that user requirements are happy through computation of the perfect number of inventory to dispatch and stock to hold. This is

achieved by computer through comparing inventory variables. One of the systems that allow direct communication among firms without there being any individuals' intervention is the Electronic Data Interchange (EDI). All the firm's movements are properly coordinated by ensuring the supplier's and customer's computers as they cross-examine one similar information, production plans and stock levels. Due to change and speed communication, the firm attains decrease in direct times, paperwork, staff costs and higher information accuracy (Duggan, 2012).

Another technology used in stock management is Electronic Point of Sale (EPOS) whose major goal is to attain information concerning goods sold through scanning. Also EPOS system has various duties that it does; sends out intra- and inters- stores messages, verifies checks, charges transactions and provides instant sales reports. This allows information to buyers, risk of obsolescence is reduced as well as theft cases and stock deterioration and that not only conduct to boost customer service and therefore raise financial performance of affirm. Development of IT is increasing at a rapid pace in effort to fill gaps in the market that are identified and which promise to meet needs of users in various fields. New software and matching equipment have been developed and adapted to daily lives of people (Lysons, 2012).

Some of the areas where ICT is applied in a business context include linking business partners and players through network, fast generation of information and seamless decision making by multiple stakeholders. Today, some organizations are dependent on ICT for deploying e-commerce platforms to increase business presence and link to customers, data mining where patterns can be used to guide firms to make timely decisions and simplification of tasks that otherwise could be unwieldy to manage by humans. Because businesses are dependent on ICT in improvement of periodic inventory control, they have incorporated it into their strategic plans to give it deserved attention. Applications of ICT are as wide as are the needs of an organization; they can range from simple point of sale unit to a whole organization where Enterprise Resource Planning system is installed to manage almost every aspect of the organization. Some of these areas include supply chain management, human resources, customer management and accounts (Duggan, 2012).

2.2.2 Staff Competence

Any entrance / exit shipment, call-off request, or put away has an attached data set. Problems arise when Inventory management in manufacturing sector cannot collaborate to compare records and all attention to the discrepancies, when desperate Inventory management in manufacturing sector cannot automatically reconcile discrepancies, or when companies' internal business rules do not force reconciliation between packaging slips, invoices, and depot receipts and authorized purchase orders, then completely incompatible data records with obvious mistakes can go strange. Have the ordering process originate from the customer's periodic inventory control (Hamblin, 2014).

According to Coyle et al (2013), this makes matching faultless data exchange, not a manual steps. It also helps shipments from abandoning suppliers landing if the match is fated to fail. As a result, challenges shipments never hit the docks. Stock management in manufacturing department is only as good as the business rules and data that direct them pure time data documentation at stock transfer points when couples with software driven, preventive-control mechanism can go a long way toward solving costly inventory problems. Developing staff competencies is hard work and a background in psychological studies for understanding people is useful. Business intelligence is fundamental to working with staff members in any organization a manager is not able to make sound business decision without a full picture of the situation at hand. Therefore, developing staff competency levels requires research and strategic incentives.

Evaluation to control which means deciding whether or not to train was worthwhile preferably in cost benefit terms and what improves are required to make it even more cost effective. Due to the increase of technological advancement, consistent training on the skills to handle all kinds of problems in an organization to achieve effective communication is important; training for inventory management in manufacturing sector is critical creating positive ethical behavior in organization. Training should be inclusive and deal with ethical matters that continue to confront inventory management in manufacturing sector practioners. Effectiveness and appropriate

training can minimize chances of corrupt and unethical practices and lead to positive organization character. Training can be short term or long term but underlying factor should be the objective of creating ethical behavior of an individual or organization (Sims, 2012).

Developing staff competencies is hard work and a background in psychological studies for understanding people is useful. Business intelligence is fundamental to working with staff members in any organization a manager is not able to make sound business decision without a full picture of the situation at hand. Therefore, developing staff competency levels requires research and strategic incentives. Employment competence can be enhanced in a number of ways training being a very important component. In all organization a manager is not able to make sound business decision without a full picture of the situation at hand. Training staff members is a very importance activity in support of employee's skills so as to improve periodic inventory control (Hamblin, 2012).

The particular perspective chosen will depend on the circumstances, for example, if change in the external environment of the organization are exerting pressure for change internally, then a corporate perspective need to be taken. If however, the issue is one of improving skills in a particular category of employees then that category of employees' occupational group will provide the focus for effects. Usually organization analyses training needs in response to response to operational weaknesses reported in by line managers or to meet the demands of change. The former reason suggested that there is something of a fire, fighting element in training need analysis. The later suggest that it can also be deployed as an element of planned change in the organization (Sims, 2012)

Wallenberg et al. (2006), says that, if inbound shipment is incorrectly scanned or counted, the inaccuracy follows through the product accomplishment cycle. Symptoms of entrance challenges include constant missing inventory write-off, recurring speed shipping fee, and split invoices or shipments due to swear to fulfill of apparition inventory. This is caused by lack of entrance processing and lack of sales order collaboration, lack of sight to supplier shipment status, inability to check PO status and update quantities, lack of package-level tracking via package tracking number. The solution here is to injected software that enables automated process

shipping notification (ASN), and is integrated to the receiving dock. Gaining sight to supplier's exit shipping status and manage mechanisms to account for changing PO status is also compulsory, along with internet-enabled level tracking. It is also good to institute automatic matching of packaging slip/warehouse receipt and authorized purchase order before recording a receipt.

Locally, studies which have been done include, Kariuki (2008) attempted to explain the benefits of periodic inventory control. There are few local studies done on establishing the role of effective inventory management in enhancing periodic inventory control. There are studies done on the adoption of inventory management systems by the public sector in the developed world. Thus, the need to validate these in the context of the developing countries and in specific the firming sector in the developing countries since the periodic inventory control will adversely affect positively performance in terms of increasing the effective and efficiency of inventory management in the private sector.

According to Score (2014), inventory control accounts for 45% to 90% of total commercial state corporation's expenses. The productivity of commercial state corporations was quite low in 2016 while at the same time they continued to absorb excessive portion of the budget, becoming a principal cause of long-term inventory management related problems. Commercial state corporations' operations had become inefficient and non-profitable, partly due to the government to shoulder major inventory management burdens.

Stock is made up of large numbers of quick/liquid assets particularly in firms generally dealing in retail trading and manufacturing. With the view to assist these stock levels of such enormity, large financial resources are invested to the firms. Inventory management performance is a huge determinant for the prosperity or downfall of a business. For a huge reduction of investment in working capital and exceptional operational performance, the organized management and orderly control of inventories assist in it all. Thus, the overall calculated business objective should be inventory management since it has a remarkable capacity on profitability (Chalotra, 2013).

The staff competency as a module provides a user-friendly way to demonstrate compliance and allows organization to progress from record holding through training planning to develop competent management, encouraging organizations to continually seek opportunities to operate or conduct business more effectively. Training staff members has positive impact on the effectiveness of communication, when one is trained on job to achieve standards is what each organization should encourage. Developing staff competency is handwork and a background in psychological studies for understanding people is useful. Business intelligence is a fundamental to working with staff members in any organization a manager is not able to make sound business decision without a full picture of the situation at hand (Bentley, 2014).

Therefore, developing staff competency levels requires research and strategic incentives. It is important to evaluate training in order to assess its effectiveness in realizing the expected outcomes and indicates areas for improvement to make it more effective. Evaluation is an integral feature of training in its simplest form is the comparison of objective criteria behavior with outcomes to answer the question of how far training has achieved its purpose. It is usually desirable to consider evaluation of training has achieved its purpose. It is usually desirable to consider evaluation of training at the planning stage. Similarly, it is necessary to consider how information required to evaluate training should be obtained and analyzed. The process of evaluation of training is any trail to attain information feedback on the effects of training programs to assess the value of training in light of that information (Hamblin, 2009).

2.2.3 Lead Time

Lead time is the length of time taken between to obtain or supply preserve from the time demands is discover to the time the need is satisfied. In many practical situations it may be observed neither the consumption rate of material is constant throughout a period of time nor in desiring an inventory control system, it's very important then to decide upon the level of services desired by the management of the organization when planning on acquisition of raw material. Lead time has direct effect on periodic inventory control (Lyons, 2012).

It is stated that distribution of raw materials the central role in coordinating the flow of goods in an organization with system modules that place the goods in the hands of

a good customer. It provides a basis of the integrating the manufacturing planning one control system through the use of MRP from the firm to the field. This is because lead time is the time between the delivery of goods from the supplier and the time the goods arrive to the warehouse, from warehouse to the business premises of the organization. If the lead time is long it may have the effect on the organization since the customer may tend to find other ways of getting the same service from the nearest competitor. This in turn will tend to affect periodic inventory control (Bentley, 2014).

In practice if the rate of consumption remain constant, the supplier`s delivery times do not vary and there are no rejections during inspection. It would have been easy matter to place a new order whenever stock on hand reached the quantity equal to lead time usages. In this type of circumstances, a hundred per cent efficient service level can be easily attained and no occasions for stock outs as new supplies will always be arriving hand as reserves in order to avoid temporally shortages in stock out conditions. However, in some real life situation, it is only necessary to know the distribution of actual demand in order to provide a specific protection against stock out probability.

The process of managing the timing and the quantities of goods to be ordered and stocked is of great importance in that demands can be met satisfactorily and economically. Inventories are stock of materials of any kind kept for future use, mainly in the production steps. Broadly inventories can be deeply thought of as materials or wealth of any kind having some economic coast, either waiting conversation or use in future. Most at times inventories are categorized as raw materials and output stocks, constituent and service parts, as well as work-in –process and concluded goods stocks (Lyons, 2012).

Inventory management policies are decision rules that focus on the tradeoff between the costs and benefits of alternative solutions to questions of when and how much to order for each different type of item. Equipment and stocks present some social aim in industries which emanate from some economic motives of different classifications via, speculations, transaction and precaution. Typically incentive which outlay sample extent for holding huge coast of inventories is not important for purposes of industrial activity. Some of the other benefits of carrying inventories are: Reduction of ordering costs and production setups costs (these costs are less frequently incurred as the size of the order is made larger which in turn creates higher inventories (Datta, 2008).

Grönroos (2011), emphasized the importance of lead time in the experience of inventory management, similar to the idea proposed. Customers bring their earlier experiences and overall perceptions of a service firm to each encounter because customers often have continuous contacts with the same service firm. Therefore, the lead time issue was introduced as yet another important component in the perceived quality inventory management model, so that the dynamic aspect of the service perception process was considered as well. A favorable and well-known time strategy is an asset for any firm because it has an impact on customer perceptions of the communication and operations of the firm in many respects.

Lead-time has to live up to service promises, especially if the service provider is “claiming” the quality service position in the firming industry. The main logistic responsibility in any organization is to formulate master programme for the timely provision of materials, components and work-in-progress., explained that logistics, including materials and goods flowing in and out of a production facility as well as its internal handling has become very important to an organization to acquire competitive advantages, as the company’s struggle to deliver the right product at the correct place and time. The main aim is to actually promote, with low cost, a flow whose velocity allows the execution of manufacturing process with expected satisfaction level (Stevenson, 2011).

Closs (2012), articulated that improvement in continuity of supplies with reduced lead times, will lead to improvement in cooperation and will also enhance cooperation’s and communications with reduced duplication of efforts, reduction in material costs and improvement in quality control, which are the main benefits of materials management. Organizations which do not have performance means in their processes, procedures, and plans experience lower performance and higher customer dissatisfaction and employee turnover. Measuring the performance of the purchasing function yields benefits to organizations such as cost reduction, enhanced profitability, assured supplies, quality improvements and competitive advantage.

2.2.4 Operational Cost

Cost is the process by which firms manage and design the expenses of doing business. Individual projects should have customized cost management plans, and companies as a whole integrate cost management into their overall business goals. There is no one

accepted definition for this term, because it has such broad applications and acceptable strategies. When exactly executed, expenses management will translate into reduced amount of production for products and services, as well as add value being delivered to the customer. For a company's management to be effective overall, expenses management must be an integral feature (Eddie, 2016).

Inventory costs represent a significant population of total production costs. The higher the average inventory level, the higher the total production cost. Typically, inventory related costs include item costs, ordering costs, holding costs, and stock out or shortage costs. Item costs are the purchase prices of things a firm buys or the cost of something it manufactures. Ordering costs are the costs incurred when placing an order for an item purchased from a supplier. Process setup costs include those costs incurred when changing the production process from one to another. These costs tend to be reasonably constant each time they are incurred for a particular product regardless of the quantity purchased or manufactured. Holding costs are the expenses incurred when items are kept in inventory (Knod, 2017).

It is simple to understand this idea if it is explained in the connection of a single project. For example, before a project is resuming, the anticipated amount should be identified and measured. This cost should then be approved before any selling occurs. During the technique of ending a project, all incurred amount should be written and kept in a record of some kind, to help ensure that the expenses are controlled and kept in line with original expectations to the limit that this is possible. Taking this near to expenses management will help a firm decide whether they exactly estimated expenses at first, and will assist them more closely predict cost in future projects or specifically authorized if the expenses were necessary. Expenses control cannot be used in isolation; projects must be arranged and tailored with this strategy in mind (Eddie, 2016).

Beginning a project with expenses management in mind will help to avoid some catch that may be extant otherwise. If the aims of the project are not openly defined at first, or are swift during the course of the project, amount over-runs will be more likely. If costs are not completely researched before the project, they may be undervaluing, thereby dilating the prospect of the project's success incredibly. There are always the possibility of unexpected expenses, but preparation in the form of cost control will

likely make them easier to deal with when they occur. Expenses control is the process of planning and managing the budget of a business or a project (Dobler, 2013).

Inventory management systems method whose goal is to maintain just enough material in just the right position at just the right time to make first the right cost of the product. This was pioneered by the Japanese manufacturing firms where inventory is acquired only when required in business for production process and this aimed at improving the return on investment of the business by decreasing in-process stock and its associated costs. In this system, the supplier has the responsibility of delivering the components and part to the production line “Just in Time” to be assembled. For the just in time method to work successfully the quality of the parts must be very high because defective materials could up halt the operations of the assembly line, there must be dependable relationships and smooth co-operation with suppliers, ideally this implies that the supplier should be located near to the company with dependable transportation available (Signal, 2015).

According to Lewin (2012), Just in time purchasing recognizes high costs associated with holding high inventory level and as such it has become important in most organizations to order inventory just in time for production so as to cut costs of holding inventory like storage, lighting, heating, security, insurance and staffing. TCT states that a firm’s ownership decision is based on minimizing the sum of its transaction and production costs. Transaction costs occur in the exchange between client and vendor. Just in time inventory management systems system helps in reducing inventory costs by avoiding carriages of excess inventories and mishandling of raw materials.

Williamson (2014), also asserts that transaction costs are comprised of the costs of seeking the suppliers, inspection of goods and establishing and formalizing the terms of agreement, including the means to both guarantee compliance with the terms and protect against the potential expropriation of the investments made, to ensure that contract conditions are fulfilled. These aspects form the pillar to successful outsourcing from third party providers given the delivery by each party to the relationship. The greater the transaction costs, that is, the costs of information, negotiation and supervision of compliance entail, the less the tendency to outsource

the activity. The primary factors producing transactional difficulties include: bounded rationality; opportunism; small numbers bargaining; information impactedness.

The main expenses incurred in holding stock, are the capital costs and the physical cost. Several stock management systems have been realized so as to tackle the challenges of excess stock. These inventory management systems include Just-In-Time (JIT) and Materials needs Planning systems (MRP). Just-In-Time is a mix of various exercises to both decrease and eliminate waste. The major factor of JIT include but not limited to sharing with suppliers and customers the product aim, set-up times of machines reduction, having suppliers nearby as single sources and maintaining a comprehensive precautionary system. Being that it is a stock strategy, its impact in a firm should be mainly on the return on investment which should go up because of the stock reduction and any other cost correlated to that. JIT also has huge impact on the quality of the product and the organization/order in which the product is produced. Its main principle is, products should only be produced when an order of the item is received by a firm. JIT process ensures that there is also warehouse space and cost which is kept at a minimal (Dobler, 2013).

Gillingham (2013), defined MRP as a product-oriented computerized technology works by stock depletion and delivery schedules aliment. MRP system works by identifying the demand for an item being dependent on the demand for a stock item. This is to mean that with the use of the marketing/sales forecast, they should be a link between an end product and the time period used to obtain this product.

2.3 Summary and Research Gaps

Morgan (2009), conducted a research study in United States of America on inventory management performance to Alien Technology Corporation. That was involved with pharmaceutical products where by other companies wins to supply pharmaceutical product to the United States America government because of its good customer services well organized and planned. The findings revealed that Alien Technology Corporation is almost 95% efficiency on inventory management practices where by the corporation manufactures products very high volume and at a low cost. The company provides a family of Radio Frequency Identification product for a variety application including supply chain management, logistics to improve inventory management and reduce operating costs. Whereas this is true, the author has failed to

show how information technology affects periodic inventory control in relation to work flow and therefore conducting the study will be important.

Training should be inclusive and deal with ethical matters that continue to confront inventory management in manufacturing sector practitioners. Effectiveness and appropriate training can minimize chances of corrupt and unethical practices and lead to positive organization character. Training can be short term or long term but underlying factor should be the objective of creating ethical behavior of an individual or organization (Sims, 2012). Developing staff competencies is hard work and a background in psychological studies for understanding people is useful. Business intelligence is fundamental to working with staff members in any organization a manager is not able to make sound business decision without a full picture of the situation at hand. Therefore, developing staff competency levels requires research and strategic incentives. Whereas this is true, the author has failed to show how staff competence affects periodic inventory control in relation to work flow and therefore conducting the study will be important.

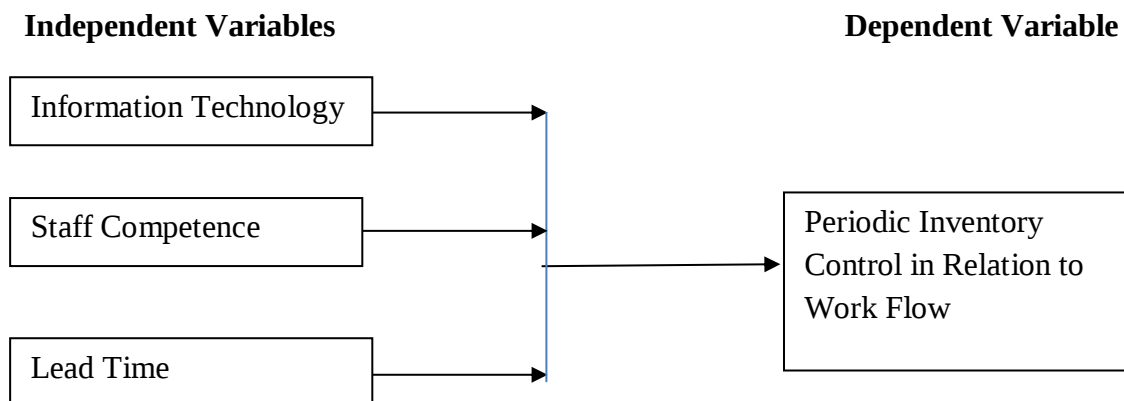
Lead time is the span of period within which an organization takes to respond to customer's requirements regarding to inventory valuation system in manufacturing organizations in Kenya. It's also includes the time required for order transmit, order processing, order preparation and transmit. Whereas this is true, the author has failed to show how lead time affects periodic inventory control in relation to work flow and therefore conducting the study will be important.

Operational cost is the price of money that has been used up to produce something and thus is not available for use anymore. It is the acquisition in which case the cost of money expended to acquire it is counted as cost in this case. Effective cost control strategies will help a team deliver a finished project within the allocated budget, while also making it as valuable as possible to the firm. There are always the possibility of unexpected costs, but preparation in the form of expenses management will likely make them much easier to deal with when they occur. Whereas this is true, the author has failed to show how operational cost affects periodic inventory control in relation to work flow and therefore conducting the study will be important. All the firm's movements are properly coordinated by ensuring the supplier's and customer's computers as they cross-examine one similar information, production plans and stock

levels. Due to swift and speed communication, the firm attains reduction in lead times, paperwork, staff costs and higher information accuracy. Another technology used in inventory management is Electronic Point of Sale (EPOS) whose main objective is to obtain information concerning goods sold through scanning.

2.4 Conceptual Framework

Figure 2.1: Conceptual Framework



Source: Author (2021)

2.5 Operationalization of Variable

2.6 Chapter Summary

This chapter dealt with the theoretical literature review i.e. checking on the work of other researchers in past studies and publications written in relation to the study variables. It also constitutes of empirical review of various objectives of the study, the summary and research gaps were also highlighted in which the conceptual framework was done too.

CHAPTER THTREE

RESEARCH PLAN AND METHODOLOGY

3.0 Introduction

This chapter contains the researcher instruments in which the researcher gathered organized, complied and analyzed data in relation to the research problem questions. It therefore comprised the following subsection namely research design, target population, sampling and procedures, data analysis procedure and validity and reliability of the research instrument, ethical considerations on research and chapter summary.

3.1 Research Design

Research design is the plan or scheme that was used to generate answers to the research problems. It attempted to find out factors affecting periodic inventory control in relation to work flow. The researcher decided to use descriptive research design. This is because descriptive design is qualitative whose main purpose is description on the state of affairs as it exists (Mugenda & Mugenda 2003). Descriptive research as a scientific method of investigating in which data was collected and analyzed in order to describe the current conditions, terms or relationships concerning a problem. The design was preferred as to allow clear definition of the variables thereby making it possible to obtain the complete and accurate information from the research. A survey was took in order to establish people's views of what they think, believe, value or feel, in order to discover these views for their own sake, or to support an argument that you are presenting, sampling a population of potential respondents in order to generalize conclusion more widely.

3.2 Target Population

According to Williamson (2018), a research population is generally a large collection of individuals or objects that is main focus of a scientific query. The target population

for this study comprised the employees of Mega Wholesalers, Nairobi from top level management, middle level management and support staff as shown in Table 3,1

Table 3.1 Target Population

Category	Target Population	Percentage (%)
Top Level Management	1	1
Middle Level Management	4	3
Support Staff	127	96
Total	132	100

Source: Author (2021)

3.3 Sampling and Sampling Technique

According to Weiss (2012), sampling is concerned with the pointed of a subset of people from within a specific population to estimate characteristics of the whole population. In this study stratified random sampling was used. According to Mugenda and Mugenda (2003), the method ensures that different groups of a population are decently represented in the speciman so as to increase the level of accuracy when estimating parameter. In addition to that, all other things being equal stratified sampling method use available information on the population as whole. That is, it creates a set of heterogeneous samples based on the variable to be studied. According to Elis & Freeman (2014), the sample size is more accurate when the sample size is at 50% of the target population. Therefore, the sample size was 66 of the target population to be selected such that each category was divided into two equal samples. The systematic technique selected members to participate in the study from each stratum as depicted in Table 3,2

Table 3.2 Sample Size

Category	Target Population	Sample Size	Percentage (%)
Top Level Management	1	1	1
Middle Level Management	4	2	3
Support Staff	127	63	96
Total	132	66	100

Source: Author (2021)

3.4 Instruments

Questionnaires were used to collect the data during the research process. This helped the researcher to collect the data on knowledge, opinions and the material facts of the respondents were noted. Each item on the questionnaire was structured in such a manner that it addresses a particular objective of the study. The questionnaire suited this study since it is practical way of collecting data from a large sample within a short period of time as well as relatively low cost. Piloting will be undertaken to examine the case and dependability of the instrument.

3.5 Pilot Study

The pilot examine is to begin the accuracy and appropriateness of the research plan as well as the instrument used. The pilot study is an experimental logistical test on a small sample and is used to gather information prior to the study. A pilot test is an evaluation of specific questions, format and the sequence as well as the instructions prior to their use in the main study.

3.5.1 Validity

The validity of the study instrument is the quality that the way and procedure of the research tool is accurate. Also, this depicts the correctness, truthfulness as well as giving meaningful experiment. Both constructive and content validity will be used as an estimate of the degree to which the data collected using questionnaire will reflect and represent the study objectives.

3.5.2 Reliability

Reliability of a study concerns the estimates of the level of the research instrument that produces consistent outcome after several trials. The reliability here was taken to test and retest the sample population in order to examine the respondent consistency. The researcher obtained permission from relevant departmental sections of the organization to circulate questionnaires. To ensure validity and reliability, questionnaires were pre-tested on respondents outside the target population. A carefully crafted but wide-ranging questionnaire aiming at eliciting responses was piloted in order to detect any ambiguities or inherent problems from the comments and remarks of the respondents. The entire questionnaires were thereafter revamped and improved on to ensure reliability of the data. Experts' views from the top managers and supervisors were incorporated with the aim of capturing specific information from respondents. These respondents were not included in the final study. The questionnaires were then corrected before the final distribution.

3.6 Data collection conducts

The researcher used questionnaires to collect primary data. The questionnaire consisted of a number of questions typed and printed in adequate order or form. The questions were open and closed ended. The open-ended questions provided relevant explanation by the respondents. It provided total freedom for the respondents. Closed-ended questions provided a list of all possible alternatives from which respondents choose the best to suit them. Closed-ended questions required the respondents to give "Yes" or "No" for answers. This enabled the researcher to collect comparable data and

encourages high response rate. The researcher personally gave out questionnaires for the primary data collection

3.7 Data Analysis and Presentation

The data collected from the field was assessed and comparison made so as to select the most accurate and quality information from the feedback to be given by various respondents. It involved assessing and evaluating the questionnaires and other sources of both primary and secondary data. The data was analyzed using qualitative and quantitative techniques. Qualitative method involved content analysis and evaluation of text material. Quantitative method involved the use of statistical measures such as frequencies and percentages and presented by the use of diagrams such as tables and figures.

3.8 Ethical Considerations

This is a section on issues and matters that entailed the protection of respondent information.

3.8.1 Informed Consent

The authorities were notified early in advance so as to avoid suspicions and denial from giving information by the respondents i.e. the management and other employees (staffs).

3.8.2 Voluntary Participation

The consent that the respondents will participate in the research study was taken and no respondent was forced to do so.

3.8.3 Confidentiality

Confidentiality in research is concerned with keeping information provided by the respondents' secret (that is not revealing to any other person without the respondent's consent). During the study, the aspect of confidentiality as one of the ethical issues in research will be highly considered. The main reason for the consideration of confidentiality will be to avoid the respondents from giving out false information or even going to the extent of being reluctant to provide useful information to be used in the research.

3.8.4 Privacy

Respect and privacy of the respondents was keenly considered during the research study and at no particular point the information given by the respondent exposed. Codes or coding was instead used.

3.8.5 Anonymity

The questionnaire were structured in such a manner that there was no names of the respondents featuring anywhere at all. This meant that they remained anonymous as much possible.

3.9 Chapter Summary

This section contains the researcher instruments in which the researcher gathered organized, complied and examine data in relation to the research problem questions. It therefore comprised the following subsection namely research design, target population, sampling and procedures, data analysis procedure and validity and reliability of the research instrument, ethical considerations on research and chapter summary.

CHAPTER FOUR

RESEARCH DISCOVERY AND DISCUSSION

4.0 Introduction

This chapter covers data analysis of the findings, presentation and explanation of results.

4.1 Presentation of Research Findings

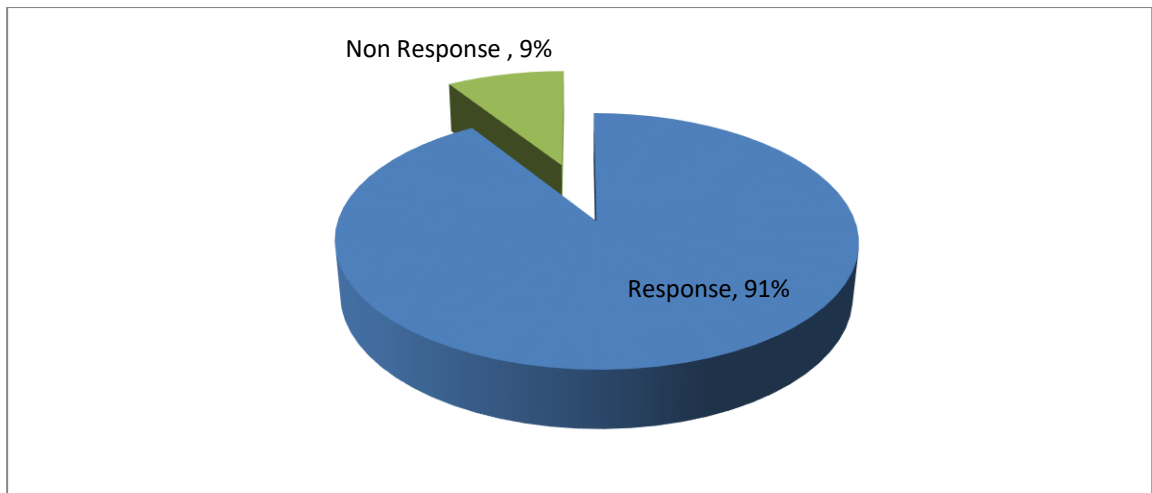
4.1.1 Response Rate

Table 4.1 Response Rate

Category	Frequency	Percentage (%)
Response	60	91
None Response	6	9
Total	66	100

Source: Author (2021)

Figure 4.1 Response Rate



Source: Author (2021)

Table 4.1 and figure 4.1 show the response rate. Based on the analysis, 91% of the respondents dully filled and returned the questionnaires while 9% of the total respondents did not return the questionnaires. From the analysis it also be concluded that most of the respondents were able to participate in the study.

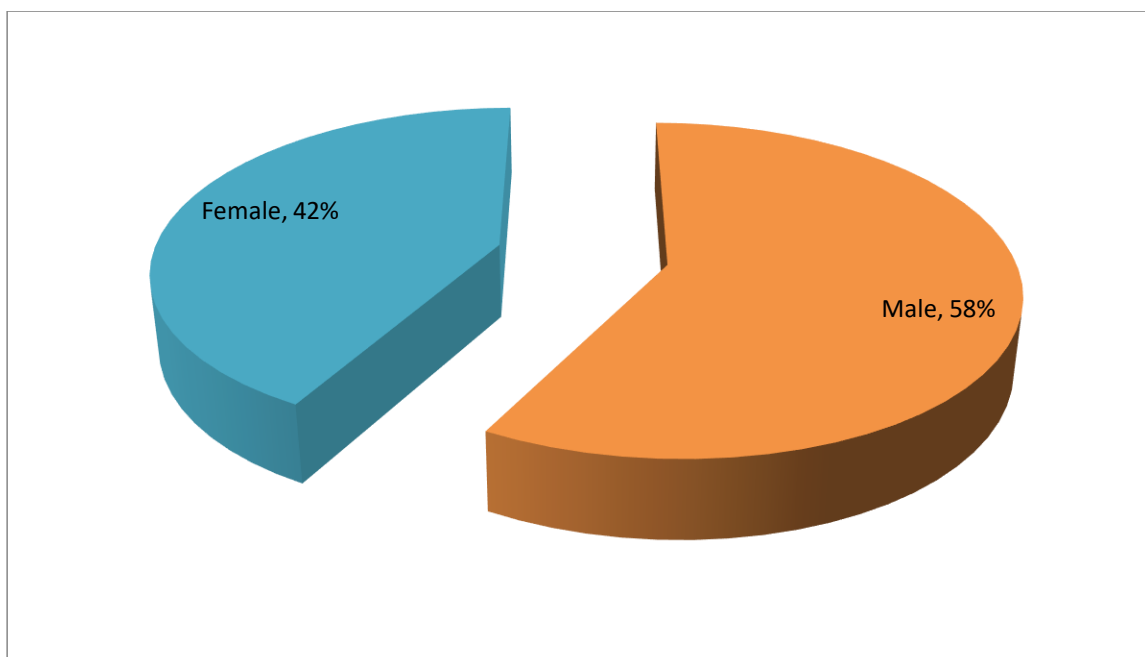
4.1.2 Gender Analysis

Table 4.2 Gender Analysis

Category	Frequency	Percentage (%)
Male	35	58
Female	25	42
Total	60	100

Source: Author (2021)

Figure 4.2 Gender Analysis



Source: Author (2021)

Table 4.2 and figure 4.2 shows gender analysis. Based on the analysis male respondents were 35 while the remaining 25 were female. These constituted 58% male respondents as compared to 42% of female respondents. This can be interpreted that majority of the respondents were male.

4.1.3 Age bracket

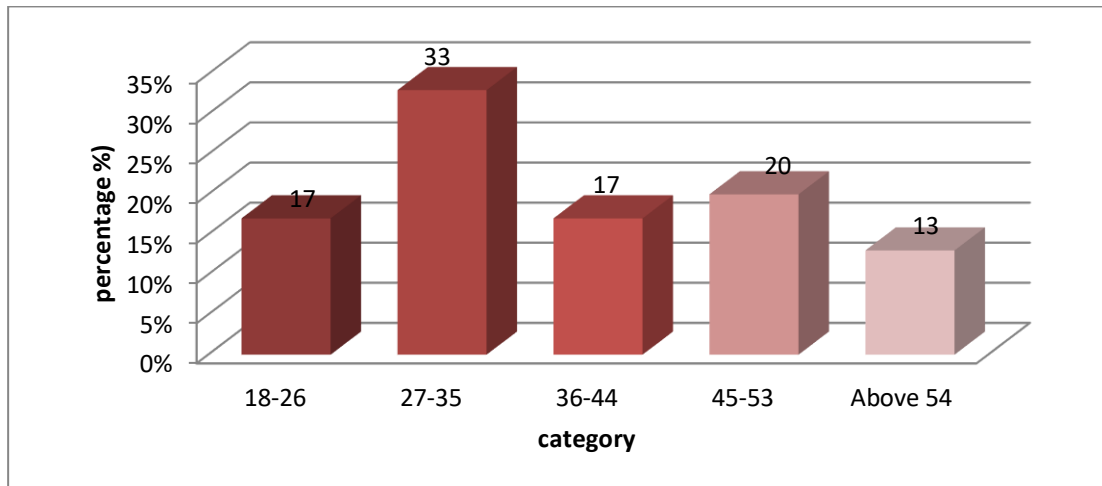
Table 4.3 Age Bracket

Age Bracket	Frequency	Percentage (%)
18 – 26 years	10	17
27-35 years	20	33
36-44 years	10	17
45-53 years	12	20
Above 54 years	8	13

Total	60	100
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Source: Author (2021)

Figure 4.3 Age Analysis



Source: Author (2021)

Table 4.3 and figure 4.3 shows the age of respondents. Based on these, those respondents who were between the ages of 18 – 26 yrs. at 17%, 27 – 35 yrs at 33%, 36 – 44 yrs at 17%, 45 – 53 yrs at 20% while those who were above the age of 54 yrs. at 13%. Based on the analysis, it is clear that majority of the respondents were above 27-35 years of age.

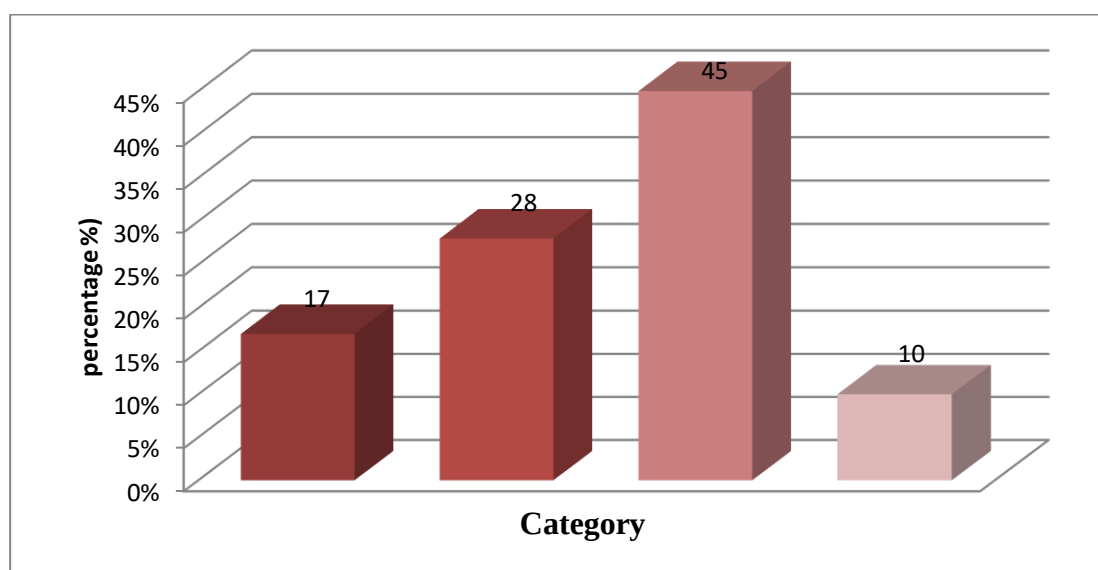
4.2.4 Educational Level

Table 4.4 Educational Level

Educational Level	Frequency	Percentage (%)
Certificate level	10	17
Diploma level	17	28
Undergraduate level	27	45
Postgraduate level	6	10
Total	60	100

Source: Author (2021)

Figure 4.4 Highest Level of Education



Source: Author (2021)

Table 4.4 and figure 4.4 shows the level of education. Based on the analysis, those who had attained certificate education at 17%, at 28 % had attained diploma education while 45% had attained undergraduate degree and finally postgraduate level at 10%.

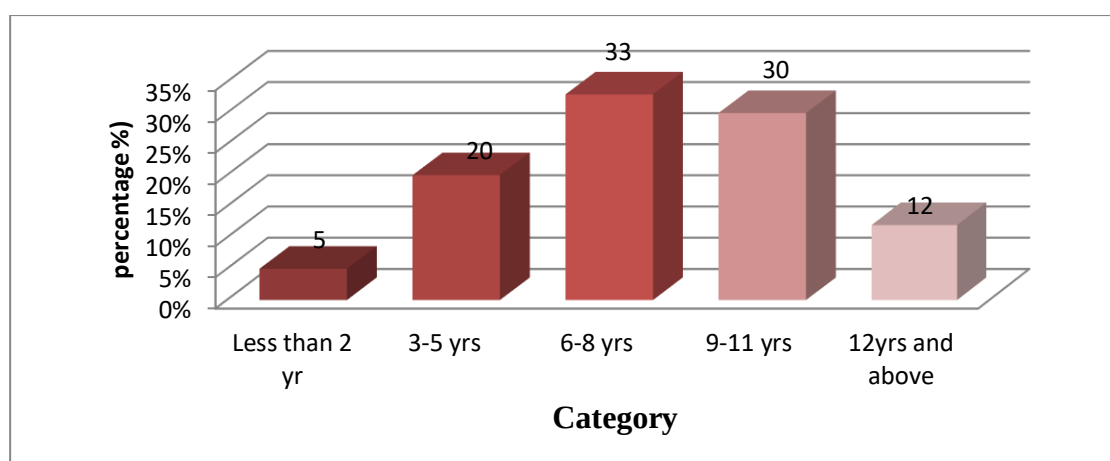
4.2.5 The duration at which the employees have been working in the company

Table 4.5 Working Experience

Category	Frequency	Percentage (%)
Less than 2 yr.	3	5
3-5 yrs.	12	20
6-8 yrs.	20	33
9-11 yrs.	18	30
12 yrs and above	7	12
Total	60	100

Source: Author (2021)

Figure 4.5 Working Experience



Source: Author (2021)

The table 4.5 and the figure 4.5 respectively indicate the response that was got on the work experience. In this regard the response of those who worked in the company for less than 2 year were 5%, the response of those between 3-5 years was 20%, the response of those between 6-8 years was 33%, the response of those between 9-11 years was 30% and finally the response of those who have worked in the organization for 12 years and above was 12%. These results indicated that most of the employees had worked in the organization for between 6-8 years.

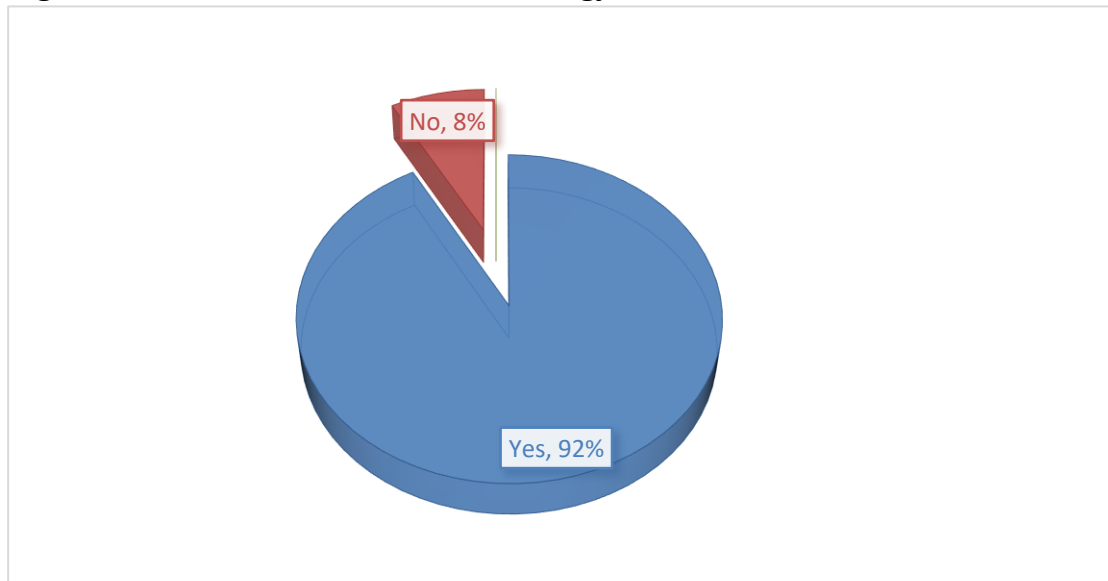
4.2.6 Information Technology

Table 4.6 Effects of Information Technology

Category	Frequency	Percentage (%)
Yes	55	92
No	5	8
Total	60	100

Source: Author (2021)

Figure 4.6 Effect of Information Technology



Source: Author (2021)

Table 4.6 and figure 4.6 show how information technology affects periodic inventory control in relation to work flow. Based on the analysis, 92% of the total respondents indicated that information technology affects periodic inventory control in relation to work flow while 8% of the total respondents stated that information technology does not affect periodic inventory control in relation to work flow.

4.2.7 Rating of Information Technology

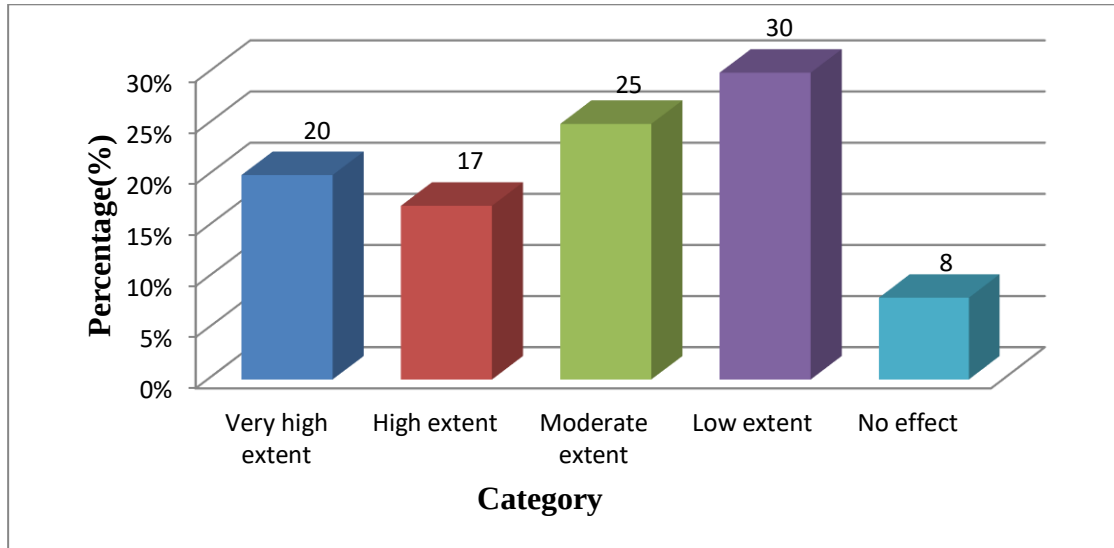
Table 4.7 Rating of Information Technology

Category	Frequency	Percentages (%)
Very high extent	12	20
High extent	10	17
Moderate extent	15	25
Low extent	18	30

No effect	5	8
Total	60	100

Source: Author (2021)

Figure 4.7 Rating of Information Technology



Source: Author (2021)

Table 4.7 and figure 4.7 show how they rated effect of information technology on periodic inventory control in relation to work flow. Based on the analysis, 20% of the total respondents rated information technology as very high extent, 17% as high extent, 25% moderate extent, 30% low extent and 8% said it had no effect.

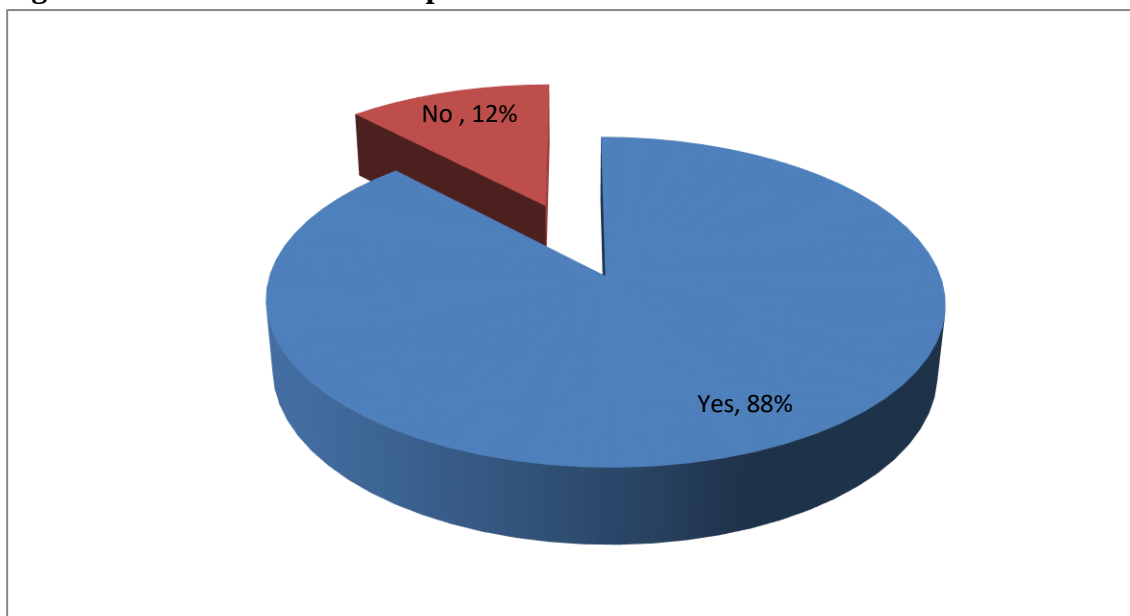
4.2.8 Staff Competence

Table 4.8 Effects of Staff Competence

Category	Frequency	Percentage (%)
Yes	53	88
No	7	12
Total	60	100

Source: Author (2021)

Figure 4.8 Effects of Staff Competence



Source: Author (2021)

Table 4.8 and figure 4.8 shows how staff competence affects periodic inventory control in relation to work flow. Based on the analysis, 88% of the total respondents indicated that staff competence affects periodic inventory control in relation to work flow while 12% of the total respondents stated that staff competence does not affects periodic inventory control in relation to work flow.

4.2.9 Rating of Staff Competence

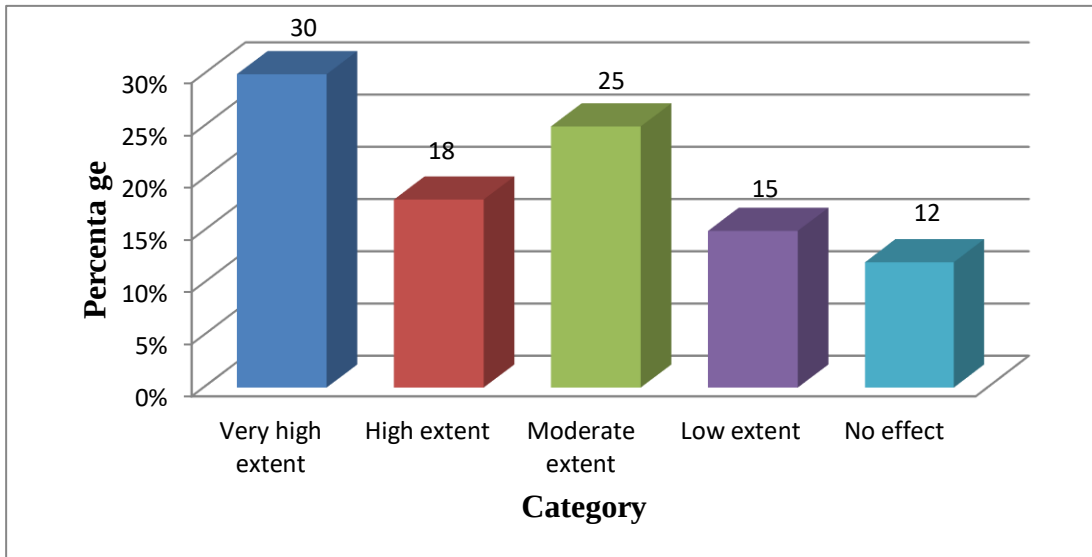
Table 4.9 Rating of Staff Competence

Category	Frequency	Percentages (%)
Very high extent	18	30
High extent	11	18
Moderate extent	15	25
Low extent	9	15

No effect	7	12
Total	60	100

Source: Author (2021)

Figure 4.9 Rating of Staff Competence



Source: Author (2021)

Table 4.19 and figure 4.9 show how they rated effect of staff competence on periodic inventory control in relation to work flow. Based on the analysis, 30% of the total respondents rated staff competence as very high extent, 18% as high extent, 25% moderate extent, 15% low extent and 12% said it had no effect.

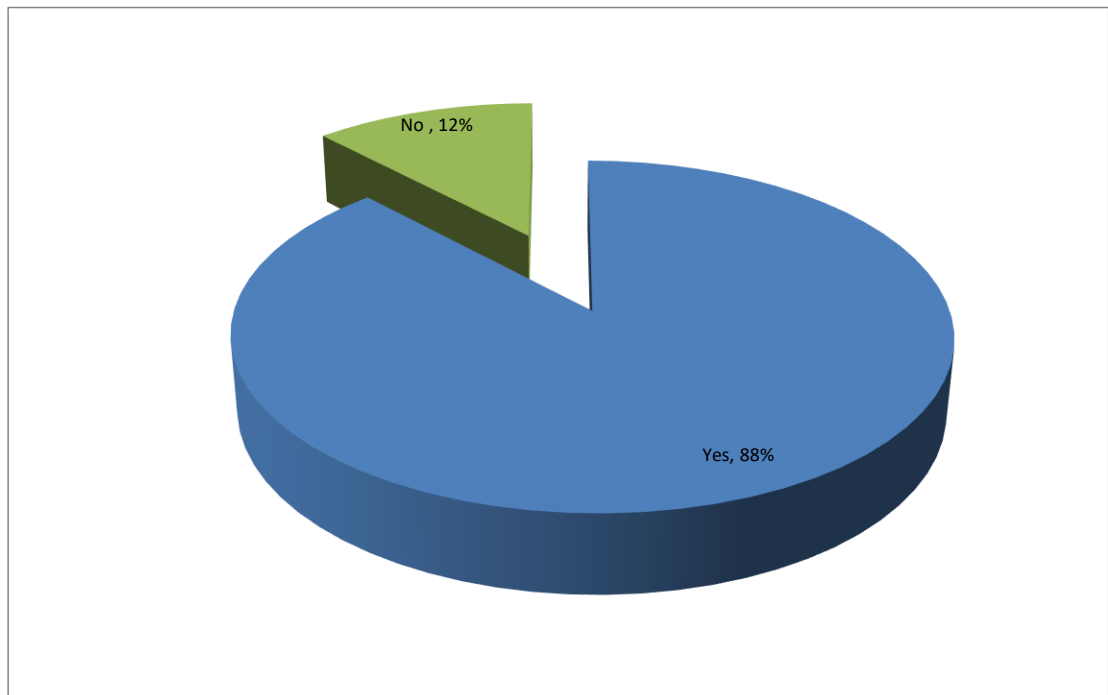
4.2.10 Lead Time

Table 4.10 Effects of Lead Time

Category	Frequency	Percentage (%)
Yes	53	88
No	7	12
Total	60	100

Source: Author (2021)

Figure 4.10 Effects of Lead Time



Source: Author (2021)

Table 4.10 and figure 4.10 show how lead time effect on periodic inventory control in relation to work flow. Based on the analysis, 88% of the total respondents indicated that lead time affect periodic inventory control in relation to work flow while 12% disagreed.

4.2.11 Rating of Lead Time

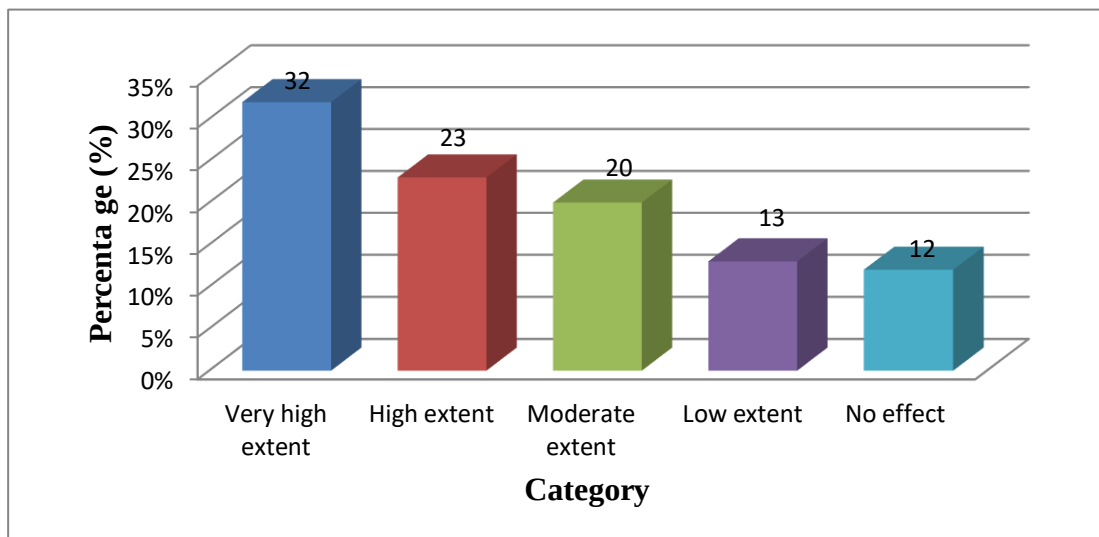
Table 4.11 Rating of Lead Time

Category	Frequency	Percentages (%)
Very high extent	19	32
High extent	14	23
Moderate extent	12	20
Low extent	8	13

No effect	7	12
Total	60	100

Source: Author (2021)

Figure 4.11 Rating of Lead Time



Source: Author (2021)

Table 4.11 and figure 4.11 show how they rated effect of lead time on periodic inventory control in relation to work flow. Based on the analysis, 32% of the total respondents rated lead time as very high extent, 23% as high extent, 20% moderate extent, 13% low extent and 12% said it had no effect.

4.2 Limitation of the Study

Key limitation here focused on the work flow processes in the organization and considers greatly the implementation of such processes. This was not easy to undertake. The several chain of functionality in the work flow process which observed seamless cooperation amongst the players was a little beat tasking.

4.3 Chapter Summary

This chapter was about the outcomes of the study i.e. the discussion. These results were driven from questionnaires and the analysis / interpretation made. Also the finding, presentation that showed the response rate on the questionnaires were conducted and finding presented.

4.3.1 General Information

From the findings it indicated that the response rate was 91% of the respondents while the non response rate was 9% of the respondents. This indicated that majority of them responded. It was found that organization has more male than female. The male represented 58% response which was the majority response. The minority response was the female which was represented by 42%. The age bracket of the respondents was as follows. 18 – 26 years were represented by 17%, 27- 35 years was represented by 33%, 36 - 44 years 17% while above 45-53 years was represented by 20%. And above 54 years was represented by 13%. The level of education showed that certificate level was represented by 17%, diploma level who were represented by 18%, undergraduate degree level was represented by 45%, 10% undergraduate degree level represented the majority. The organization employees have the majority level of education and they were the university level. Finally, the response on the work experience showed that 5% are those who have worked in the organization for less than 2 year. There was a response of those who have worked in the organization between 3 - 5 years which was 20% 6 – 8 years was represented by 33% who were the majority and above 10 - 11 years was represented by 30% and above 12 years were represented by 12%.

4.3.2 Information Technology

Information technology is one of the crucial factors to be put into consideration. Majority of the respondents representing 92% agreed that information technology affects periodic inventory control in relation to work flow, while the remaining 8% said information technology has no effect on periodic inventory control in relation to work flow.

4.3.3 Staff Competence

The study revealed the effect of staff competence on periodic inventory control in relation to work flow. It was established that 88% of the respondents said that staff competence affects periodic inventory control in relation to work flow while 12% said that that there was no effect.

4.3.4 Lead Time

Lead time is one of the crucial factors to be put into consideration. Lead time affects periodic inventory control in relation to work flow. Majority of the respondent's representing 88% agreed that lead time affects periodic inventory control in relation to

work flow, while the remaining 12% said lead time has no effect on periodic inventory control in relation to work flow.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

This section presents the data findings, dedication, recommendations and resolution for more learning that are based on periodic inventory control in relation to work flow.

5.1 Summary of Findings

5.1.1 To what extent does information technology affect periodic inventory control in relation to work flow?

The findings indicated the extent to which information technology affects periodic inventory control in relation to work flow, 20% were on the opinion that it affects the organization at a very high extent, 17% high extent, 25% moderate extent, 30% represented low extent and 8% no effect. This indicated that majority of the respondent showed that information technology affects periodic inventory control in relation to work flow at a very large extent

5.1.2 To what extent does staff competence affect periodic inventory control in relation to work flow?

From the findings it indicated the extent to which staff competence affects periodic inventory control in relation to work flow, 30% were on the opinion that it does affect by very high extent, 18% high extent, 25% low 15% low extent, extent while 12% indicated no effect. From the findings it indicated that staff competence affects periodic inventory control in relation to work flow at large extent.

5.1.3 To what extent does lead time affect periodic inventory control in relation to work flow?

The analysis shows the extent to which lead time affects periodic inventory control in relation to work flow, 32% of the respondents indicated very high extent and they the majority, 23% high extent, 20% indicated moderate extent while low extent was represented by 13%. No effect was represented by 12% From the findings it indicated that lead time affect periodic inventory control in relation to work flow.

5.2 Recommendations

5.2.1 Information Technology

The study recommended that information technology implementation comprises of various operations systems that organization can adopt in order to improve performance of various functions. It is recommended that organizations should strive

to ensure warehouses are adequately automated by management systems that can improve how warehouses can be managed. Further training on information technology is also recommended for employees. The Ministry of Health should ensure that all public hospitals are in good condition through regular and structured maintenance and servicing. This will ensure that the hospitals and their facilities are in a good working condition which will ultimately improve the quality of health care services they offer.

5.2.2 Staff Competence

The study recommends that warehouse staff should be adequately equipped with appropriate qualifications, proper training & supervision, ensure adherence of stock record procedures & proper work allocation to promote effectiveness of stock record systems. The organization should ensure that inventory control function is only handled by competent well trained supply chain officers, stock record facilities must be adequately provided and full automation of stock control systems and software availed coupled with proper integration with other areas of supply chain management to attain the benefits of perpetual stock verification system, the current inventory audit practices and procedures need to be reviewed and redesigned while a fully computerized stock record system for posting inventory control data is adopted.

5.2.3 Lead Time

The study recommends that processing your orders as quickly as they arrive is crucial to your company's success. Automatic ordering reduces lead time by making inventory requests early enough to avoid stockouts, hence reducing shipping time and costs E-procurement in the public sector should also increase transparency in procurement through electronic publishing of tender notices and contract awards and this enhances accountability and reduces the instances of corruption therefore inventory management.

5.3 Conclusions

Majority of the respondents indicated that information technology affects periodic inventory control in relation to work flow. Computers are the key tools of ICT which

aids in inventory control by ensuring that user demand are proud through computation of the perfect number of stock to dispatch and stock to hold. This is achieved by related through comparing stock variables (stock levels, demand and delivery dates). One of the systems that allow direct communication among companies without there being any person interruption is the Electronic Data Interchange (EDI). All the firm's exercise are properly reconcile by ensuring the vender's and customer's computers as they cross-examine one similar information, production plans and inventory levels.

Majority of the respondents indicated that staff competence affects periodic inventory control in relation to work flow. Stock is made up of large numbers of quick/liquid capital especially in companies mainly dealing in sell trading and manufacturing. With the view to continue this stock level of such preserve, huge financial resources are landed to the firms. Stock management administration is a huge determinant for the profitability or downfall of a business. For a large decrease of investment in working capital and exceptional running performance, the organized management and orderly manage of stock helps in it all. Thus, the overall knowing business goal should be stock control since it has a remarkable capacity on profitability.

Majority of the respondents indicated that lead time affects periodic inventory control in relation to work flow. The process of managing the timing and the quantities of goods to be ordered and stocked is of great importance in that demands can be met satisfactorily and economically. Inventories are stock of materials of any type stored for future operates, generally in the manufacturing process. Broadly inventories can be deeply thought of as materials or means of any kind having some economic measures, either waiting conversation or use in future. Many inventories are categorized as raw materials and production stock, elements and service parts, as well as work-in –process and finished goods inventories.

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APPENDIX I: INTRODUCTION LETTER

Abdirahman Abdi

P.O BOX 6789

NAIROBI

6th August, 2021

The Head of Human Resources

Mega Wholesalers

NAIROBI

Dear Sir / Madam

RE: PERMISSION TO UNDERTAKE A RESEARCH STUDY

I am a university student at The Management University of Africa and is currently undertaking a research study on factors affecting periodic work flow in an organization. Please allow me to use your organization as a case study and please know that it will assist fulfill the requirement of the course in undertaking the research study.

Confidentiality will be highly practiced on responses received / provided on the questions.

Thanking and looking forward to work with you.

Yours faithfully,

Abdi Abdirahman Ali

APPENDIX II

QUESTIONNAIRE

This questionnaire has been drafted for helping the researcher to establish factors affecting periodic inventory control in relation to work flow. Please answer questions by putting a star { } in the appropriate box or by putting in the space provided

SECTION A: GENERAL QUESTIONS

Kindly answer the questions below by ticking in the appropriate box or by giving explanations on the spaces provided.

1. Indicate your gender

Male	{ }
------	-----

Female	{ }
--------	-----

2. Age in years

18- 26 years	{ }
--------------	-----

27- 35 years	{ }
--------------	-----

36- 44 years	{ }
--------------	-----

45- 53 years	{ }
--------------	-----

Above 54 years	{ }
----------------	-----

3. What is your highest level of education?

Certificate level	{ }
-------------------	-----

Diploma level	{ }
---------------	-----

Undergraduate degree level	{ }
----------------------------	-----

Postgraduate level	{ }
--------------------	-----

4. How long have you worked in the organization?

Less than 2 year	{ }
------------------	-----

3-5 years	{ }
-----------	-----

6-8 years	{ }
-----------	-----

	{ }
--	-----

	{ }
--	-----

9-11 years

12 years and more

SECTION B: INFORMATION TECHNOLOGY

5) Does information technology affect periodic inventory control in relation to work flow?

Yes { }

No { }

Please Explain.....

.....
.....
.....

6) How does information technology affect periodic inventory control in relation to work flow?

Very high extent { }

High extent { }

Moderate extent { }

Low extent { }

No effect { }

Please Explain.....

.....
.....
.....

SECTION D: STAFF COMPETENCE

7) Does staff competence affect periodic inventory control in relation to work flow?

Yes { }

No { }

Please Explain.....

8) To what extent does staff competence affect periodic inventory control in relation to work flow?

Very high extent

High extent { }

Moderate extent { }

Low extent { }

No effect { }

Please Explain.....

SECTION E: LEAD TIME

9.) Does lead time affect periodic inventory control in relation to work flow?

Yes { }

No { }

Please Explain.....

10) How does lead time affect periodic inventory control in relation to work flow?

Very high extent { }

High extent { }

Moderate extent { }

Low extent { }

No effect { }

Please Explain.....

.....
.....

SECTION F: OPERATIONAL COST

11.) Does operational cost affect periodic inventory control in relation to work flow?

Yes { }

No { }

Please Explain.....

.....
.....

12) To what extent does operational cost affect periodic inventory control in relation to work flow?

Very high extent { }

High extent { }

Moderate extent { }

Low extent { }

No effect { }

Please Explain.....

.....
.....

Thank You for Your Cooperation

12) How does pricing strategy affect periodic inventory control in relation to work flow?

Very high extent { }

High extent { }

Moderate extent { }

Low extent { }

No extent { }

Please Explain.....

.....

Thank You for Your Cooperation

APPENDIX II

WORK PLAN

Activity	July 2021	August 2021	September 2020
Proposal Writing			
Proposal Submitting			
Project Defense			

Source: Author (2021)

APPENDIX III
RESEARCH BUDGET

Activity	Costs
Transport	2000
Communication (Airtime)	600
Typing, Printing and Hard Cover	5000
Miscellaneous Expenses	1500
Total	9100

Source: Author (2021)

