
**ASSESSING OF THE IMPACT OF STOCK CONTROLS ON MANAGEMENT OF
COSTS IN ORGANIZATIONS; A CASE STUDY OF MUKWANO GROUP OF
COMPANIES**

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ABSTRACT

The study aimed at assessing of the impact of stock controls on management of costs in organizations and it was guided by the following objectives; To examine the relationship between stock planning and management of costs at Mukwano Group of Companies, to establish the relationship between stock replenishment through procurement and management of costs at Mukwano Group of Companies and to determine the relationship between stock control and management of costs at Mukwano Group of Companies. The study adopted cross sectional study design by using both quantitative and qualitative approaches as its frame work to guide the process of data collection and processing on the assessment of stock control on cost management of organization in Mukwano Ltd Kampala.

The quantitative approach was adopted to measure the magnitude of the various constructs and variables that are conceptualized in the study. From the findings, there was a strong positive relationship between stock replenishment and performance of utility organizations in Uganda, ($r=0.725$ $p=0.000$ $N=58$). The relationship was statistically significant at 95% confidence level since $p\text{-value}<0.050(=0.000)$. This implied that improved stock replenishment led to improved performance of utility organizations in Uganda. Similarly, declined stock replenishment led to declined performance of utility organizations in Uganda. Utility organizations in Uganda, particularly MGC should invest more money in ICT for stock planning in order to enable easy, effective and efficient planning which will ensure stock outs are minimized and adequate stock maintained all the time. Utility organizations should hire experts on stock planning to best guide them on how to develop feasible stock plans which will ensure adequate stock throughout the year.

Key words: stock controls, management, costs and organizations

Background of the study

Earlier studies than the twentieth century have linked Management of costs in organizations to stock control. This is made possible through balance score card approach in which financial, customer, internal process and innovation can be combined in an organization to assist the management in decision making processes and problem solving (Alex & Kazaara, 2023). For instance, the manager in an organization can use the balance score card as a strategic management system to detect late deliveries of inventories which have a potential to result in poor management of costs at work place (Ronet et al., 2023). Another evidence is by use of just in time purchasing (JITP) as studied by Ansari and Modarress (between 2017 to 2010), the study showed that companies which implemented just in time estimated an increase in projected product quality by 43% and increase in productivity by 21%.

When Palm formally reported its quarterly numbers in June, the damage was gruesome. Its loss totaled \$392 million and a big chunk of which was attributed to writing excess stock- piles of unsold devices, (The Industry Standard, June 16, 2011). Liz Claiborne said its unexpected earnings decline was the consequence of higher than anticipated excess inventories (WSJ, August 2013). At the firm level: Sales growth, right stock at the right place at the right time. Cost reduction -less money tied up in stock with proper stock control where there was no overstocking of inventories (Deus, 2023).

Muhairwe (2019) notes that any business needs to keep optimum stock that it can so as to avoid damage and waste and to minimize the cost of holding stock. The organization periodically places order when the stock level of a particular item has reached re-order level and they try at all cost to control the stock levels to minimum which are kept on records so as to prevent the corporation incurring excessive purchasing and carrying cost on the one hand and stock out on the other hand. However, for the last 10 years, besides all the efforts to control stock level by instituting call off orders from prequalified suppliers the organization

has continued to experience stock levels below minimum with subsequent emergency purchases.

Statement of the problem

Optimum stock control not only provide information on quantities of raw materials required for use in production or operation, but can also identify and account for raw materials that become scrap or waste during production or operation while at the same time ensuring stock outs have been avoided at any one time (Kazaara & Christopher, 2023). Lack of optimization is a common design problem that made it difficult to accurately forecast future stock needs. Proper stock control should capture the right data at the right time to avoid mistakes that result in inaccurate stock levels. Rapid expansion of organizations in Uganda due to increased development rate has subjected organizations to short falls in service delivery due to stock out problem of inventories to support efficient and effective service delivery to the public. Mukwano Group of Companies a manufacturing organization which manufactures home use products like plastics, cooking oil, jerrycans, etc. The organization has contracted suppliers on call off orders to supply critical inventories like raw materials, chemicals, lubricants and associated materials which is a just intime (JIT) method of procurement to enable the suppliers deliver as and when requested to guard against stock outs of critical inventories besides stock control on all inventories through stock taking, variance checking and e requisition, but the problem of stock out of critical inventories has persisted resulting into poor service delivery and eventually on the overall management of costs of Mukwano Co Ltd (Christopher et al., 2022). The purpose of this study was to examine the relationship between stock control and management of costs in organizations in Uganda a case of Mukwano Group of Companies.

Research Objectives

1. To examine the relationship between stock planning and management of costs at Mukwano Group of Companies.
2. To establish the relationship between stock replenishment through procurement and management of costs at Mukwano Group of Companies.

3. *To determine the relationship between stock control and management of costs at Mukwano Group of Companies.*

Research Questions

1. *What is the relationship between stock planning and management of costs of Mukwano Group of Companies Kampala City?*
2. *What is the relationship between stock replenishment and management of costs of Mukwano Group of Companies Kampala City?*
3. *What is the relationship between stock control and management of costs of Mukwano Group of Companies Kampala City?*

Methodology

Research design

The study adopted cross sectional study design by using both quantitative and qualitative approaches as its frame work to guide the process of data collection and processing on the assessment of stock control on cost management of organization in Mukwano Ltd Kampala.

The quantitative approach was adopted to measure the magnitude of the various constructs and variables that are conceptualized in the study. This was done by testing research questions using Pearson correlation coefficient and multiple linear regression modeling (Barifaijo, et al). The qualitative approach through interview guide was adopted because it is the best way to bring out respondents' opinion and perceptions.

Study population

According to Sekaran; (2013), the Population refers to the entire group of people, events or things of interest that the researcher wishes to investigate. Mukwano Ltd has the actual population of all employees in the corporation standing at 3000 (three thousand workers) however; the target population was 150 staff and the accessible size was 108 staff selected from Head quarter but working in different departments. Majority of the respondents was staff dealing directly with inventories under different circumstances as detailed in the determination of the sample size. Headquarters and Kampala was chosen because they are representative of all other areas where Mukwano Ltd isoperating.

Sample size determination

From the target population of 150 respondents from staff working in different departments at Head Quarters at Kampala selected on purposive basis since they serve more customers than others. a sample of 108 respondents of both sexes was selected using Krejcie and Morgan (2010) sample size determination model. These respondents included respondents from different sections under various departments but they deal directly with inventories under different circumstances. All except for evaluation and monitoring staff was selected on purposive basis.

Sampling techniques and procedure

Simple random sampling technique was used to select respondents focusing on Kampala region from which 108 respondents from different departments was asked to fill questionnaire forms, while others was interviewed accordingly. This procedure is chosen because it is appropriate in the selection of sample size given the availability of sampling frame, and most importantly it minimizes sampling bias. (Mugenda & Mugenda 2013).

Data Collection Methods

Data collection methods are a number of interrelated activities aimed at gathering information to answer the research questions (Creswell, 2017). Suzanne (2018) as cited by Marshall and Rassman (2019), states that making a choice among the different data gathering techniques involves considering their appropriateness and relative strengths and weaknesses. Data was collected from both primary and secondary sources Amin (2015) Quantitative and qualitative methods was used in the collection of primary data. Primary data was collected using self- administered questionnaires and interviews.

Data Analysis

Field data was first cleaned to remove errors before data analysis process for both quantitative and qualitative data collected. Data cleaning is the process of detecting and correcting inaccurate record in a data set or a questionnaire, Amin, (2015)

Quantitative Data Analysis

Quantitative data analysis involved use of both descriptive and inferential statistics and three levels of analysis was performed, univariate, bivariate and multivariate analysis. Statistical package for Social Scientist was used in the analysis. Descriptive statistics was performed to determine measures of central tendency such as mean, frequency distribution and percentages and the result was presented using frequency distribution table. Inferential statistics was performed using Pearson Correlation and multiple linear regression analysis to test the hypothesis using E-views (Nelson et al., 2023).

Qualitative Data Analysis

Qualitative data analysis involved both thematic and content analysis based on the study objectives. Qualitative data was conducted through interviews and writing the summaries in a note book and later on analysis was done by categorizing common themes extracted from responses of interviewees using SPSS (Nelson et al., 2022).

RESULTS

Response Rate Table 1: Response rate

Population category	Sample size	Actual no of responses	Response rate
Engineers/Technicians	24	23	95.8%
Stock officers	24	21	87.5%
Finance/cost accountants	10	10	100.0%
Branch managers	15	14	93.3%
Evaluation/Monitoring Staff, customer-care officers	15	14	93.3%
Procurement officers	20	19	95%
Total	108	101	93.5%

Source: Primary data, 2022

A total of 108 questionnaires were distributed and 101 were fully and correctly filled and returned, while a total of 5 key informants were intended for interviews and only 4 were interviewed. The response rate for the questionnaires was therefore 93.5%, while that of interviews was 80.0%, giving an overall

response rate of 86.7% as shown in the table below Table 3 above shows a summary of the response rate for the study. This response rate indicates that data was collected from reasonable number of respondents; hence the collected data and the findings from it can be relied on. According to Mugenda and Mugenda (2009) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and above is excellent.

Demographic characteristics of the sample

In this section the demographic characteristics of the respondents are presented for only the data collected using the questionnaires. The section presents gender, age, relationship, years of relationship, marital status and education level of respondents in the study.

Table 2: Distribution of respondents by gender

Gender	Frequency	Percentage
Male	60	59.4%
Female	41	40.6%
Total	101	100.0%

Source: Primary data, 2022

Table 2 shows that the majority of the respondents, 59.4% were males, as compared to 40.6% who were females. Majority of the respondents were males because the study population comprised more males than females. This was relevant to the study because the views and perceptions of the population of the study were well represented.

Table 3: Distribution of respondents by age

Age	Frequency	Percentage
Between 20 - 30 years	23	22.8%
Between 31 - 40 years	38	37.6%
Between 41 - 50 years	22	21.8%
51 years and above	18	17.8%
Total	101	100.0%

Source: Primary data, 2022

Table 3 above shows that the majority of the respondents, 37.6% were between the ages 31 - 40 years, while 22.8% were between the age of 20 - 30 years, 21.8 between the age of 41-50 years and 17.8% were 51 years and above. The majority of the respondents were between the age of 31 - 40 years because this age category comprises most of the population and sample size. Therefore, the study collected data from the majority category of the population which means that the overall views of MGC are well reflected in the study.

Table 4: Distribution of respondents by Departments

Relationship	Frequency	Percentage
Engineers/Technicians	23	22.8%
Stock officers	21	20.7%
Finance/cost accountants	10	9.9%
Branch managers	14	13.9%
Evaluation/Monitoring Staff, customer-care staff	14	13.9%
Procurement officers	19	18.8%
Total	101	100.0%

Source: Primary data, 2022

Table 4 above shows that the majority of the respondents (22.8%) were engineers and technicians, while 20.7% were stock officers, 9.9% were finance and cost accountants, 13.9% were branch managers, another 13.9% were evaluation/monitoring staff and customer care staff, and 18.8% were procurement officers. The majority of the respondents were engineers and technicians because this category comprises most of the population and sample size, and they are the ones mostly on the ground in the field. Therefore, the study collected data from the majority category of the population which means that the overall views of MGC are well reflected in the study.

Table 5: Distribution of respondents by years in service

<i>Years of service</i>	<i>Frequency</i>	<i>Percentage</i>
0 - 1 year	7	6.9%
2 - 3 years	23	22.8%
4 - 5 years	38	37.6%
6 - 7 years	14	13.9%
8 - 9 years	9	8.9%
10 years and above	10	9.9%
Total	101	100.0%

Source: Primary data, 2022

Table 5 above shows that the majority of respondents (37.6%) have been at MGC for 4 - 5 years, 22.8% for 2 - 3 years, 6.9% for 0 - 1 years, 13.9% for 6 - 7 years, 8.9% for 8 - 9 years, and 9.9% for 10 and above years. Since respondents from those who have been in MGC for a short time to those who have worked there longest were all represented in the study, this means that the data gave a reliable representation of the population.

Table 6: Distribution of respondents by level of education

<i>Education level</i>	<i>Frequency</i>	<i>Percentage</i>
Diploma	10	9.9%
Bachelors	64	63.3%
Masters	27	26.8%
PhD	0	0.0%
Total	101	100%

Source: Primary data

Table 6 above shows that the majority of the respondents (63.3%) were university graduates, while 26.8% possessed masters, and only 9.9% had diplomas. This means that the study generated data from knowledgeable respondents whose perceptions contributed to the quality of findings.

Table 7: Views of respondents on quality of service, costs, revenue volume and rate of improvement

<i>Statements measuring performance</i>	<i>SA</i>	<i>A</i>	<i>NS</i>	<i>D</i>	<i>SD</i>	<i>Mean</i>	<i>St'dD.</i>
<i>MGC is one of the best performing organizations because of proper stock management</i>	37.9%	41.4%	6.9%	10.3%	3.4%	2.0	1.1
<i>MGC is providing quality services and commendable customer care due to proper stock management</i>	24.1%	44.8%	10.3%	20.7%	0.0%	2.3	1.1
<i>MGC has adequate inventories all the time and my performance is not affected due to lack of inventories</i>	24.1%	44.8%	0.0%)	27.6%	3.4%	2.4	1.2
<i>MGC is quick to response to all customer demands like new connections, resolving customer complains etc. within stipulated time as result of adequate inventories</i>	31.0%	51.7%	0.0%	13.8%	3.4%	2.1	1.1
<i>MGC ensures all departments have adequate inventories hence achievement of objectives is no big deal</i>	65.5%	31.0%	0.0%	3.4%	0.0%	1.4	0.7
<i>MGC uses Balance scorecard to monitor the organization performance</i>	37.9%	37.9%	3.4%	20.7%	0.0%	2.1	1.1

<i>MGC normally focuses on priority areas to be accomplished</i>	3.4%	13.8%	6.9%	69.0%	6.9%	3.6	0.9
<i>MGC ensures cost reduction and revenue increase as a result of proper stock management</i>	6.9%	41.4%	6.9%	34.5%	10.3%	3.0	1.2
<i>MGC record of continuous improvement due availability of all resources all the time</i>	51.7%	37.9%	3.4%	6.9%	0.0%	1.7	0.8
<i>MGC has Monitoring and Evaluation section which evaluates performance</i>	51.7%	37.9%	3.4%	6.9%	0.0%	1.7	0.8
<i>Average</i>						2.3	1.0

Source: Primary data

Key: SA - Strongly Agree, A - Agree, NS - Not Sure, D - Disagree, SD - Strongly Disagree

Table 7 shows that the majority of the respondents were in agreement on 9 statements, while they were in disagreement on one out of the ten statements used to measure quality of service, costs, volume of revenue and rate of improvements of utility organizations in Uganda a case of MGC as elaborated below.

On whether MGC organization is one of the best performing organizations because of proper stock management, the majority, 79.3% agreed, while 13.7% disagreed and only 6.9% were not sure. And on the issue of whether MGC is providing quality services and commendable customer care due to proper stock management, the majority, 68.9% agreed, while 20.7% disagreed and 10.3% were not sure.

The majority of the respondents, 68.9% agreed that MGC has adequate inventories all the time and my performance is not affected due to lack of inventories; while a substantial number 31.0% disagreed. Similarly, the majority, 82.7% agreed that

MGC is quick to response to all customer demands like new connections, resolving customer complains etc. within stipulated time as result of adequate inventories and 17.2% disagreed.

On the issue of whether MGC ensures all departments have adequate inventories hence achievement of objectives is no big deal, the majority, 96.5% agreed and only 3.4% disagreed. And on whether MGC uses Balance score card to monitor the organization performance, the majority, 75.8% agreed, while 20.7% disagreed and only 3.4% were not sure.

The majority of the respondents, 75.9% however disagreed that MGC normally focuses on priority areas to be accomplished, while 17.2% agreed and only 6.9% were not sure. There were mixed reactions on whether MGC ensures cost reduction and revenue increase as a result of proper stock management, with 48.3% in agreement, while 44.8% were in disagreement and only 6.9% were not sure.

On whether MGC record of continuous improvement was due to availability of all resources all the time, the majority, 89.6% agreed, while only 6.9% disagreed and only 3.4% were not sure. The majority of respondents (89.6%) agreed that MGC has Monitoring and Evaluation section which evaluates performance, 6.9% disagreed, while 3.4% were not sure.

The mean of 2.3 for performance of utility organizations in Uganda a case of MGC is an indication that on average the respondents agreed on the statements used to measure performance with a standard deviation of 1.0 implying that their responses moderately varied from the mean. This implies that performance of utility organization in Uganda a case of MGC is highly depended on stock management.

Table 8: Views of respondents on stock planning

Statements measuring stock planning	SA	A	NS	D	SD	Mean	St'd D.
<i>MGC has process for planning for stock in place</i>	62.1%	27.6%	0.0%	10.3%	0.0%	1.6	0.9

MGC has over 30% of the master budget spent on inventories annually	13.7%	55.2%	3.4%	17.4%	10.3%	3.4	1.1
The personnel involved in planning for stock always know what to include in the budget	10.3%	58.6%	3.6%	24.1%	3.4%	2.5	1.1
MGC has process for involving all the stakeholders in the stock planning during budgeting	15.3%	39.9%	0.0%	37.9%	6.9%	2.8	1.3
MGC has technology to improve stock planning	62 %	20.8%	3.5%	3.5%	10.3%	3.7	0.9
MGC has personnel who are trained in stock management	17.2%	13.8%	3.5%	37.9%	27.6%	2.7	1.2
Stock planning help my organization to improve cash flow	31%	44.8%	3.5%	10.3%	10.4%	3.0	1.1
Stock planning help my organization to have critical materials like new connection fittings and maintenance available anytime I request for the materials	10.6%	37.6%	0.0%	24.1%	27.6%	4.0	1.0

MGC has policies and procedures for stock planning	41.4%	44.8 %	0.0%	13.8%	0.0%	2.8	1.3
MGC performs well because of proper stock planning	17.3%	3.4%	0.0%	72.4%	6.9%	3.7	0.8
Average						3.0	1.0

Source: Primary data, 2022

Table 8 shows that the majority of the respondents were in agreement on all statements used to measure stock planning as elaborated below.

On whether MGC has policies and procedures for planning for stock in place, the majority, 89.7% agreed, while 10.3% disagreed. And on whether MGC has over 30% of the master budget spent on inventories annually, the majority, 68.9% agreed, while 27.7% disagreed and only 3.4% were not sure. Similarly, the majority, 68.9% agreed that the personnel involved in planning for stock always know what to include in the budget, while 27.5% disagreed and 3.6% were not sure. On the issue of whether MGC has process for involving all the stakeholders in the stock planning during budgeting, the majority, 55.2% agreed, while a substantial number 44.8% disagreed. And on whether MGC has technology to improve stock planning, the majority, and 82.8% agreed, while 13.8% disagreed and only 3.4% were not sure.

The majority of the respondents (65.5%) however disagreed that MGC has personnel who are trained in stock management, while 31.0% agreed and only 3.5% were not sure. And on whether stock planning help my organization to improve cash flow, the majority, 75.8% agreed, while 20.7% disagreed and only 3.5% were not sure. Similarly, the majority, 51.7% disagreed that stock planning helps my organization to have critical materials like new connection fittings and maintenance available anytime request for the materials is made, while a substantial number 48.2% agreed.

On whether MGC has policies and procedures for stock planning, the majority, 86.2% agreed, while 13.8% disagreed. And on whether MGC performs well because

of proper stock planning, the majority, 79.3% disagreed, while 20.7% agreed.

The average mean of 3.0 for stock planning is an indication that on average the respondents were not sure on the statements measuring stock planning with a standard deviation of 1.0 implying that their responses moderately varied from the mean. The implication of the above descriptive statistics is that while users appreciate MGC efforts to offer high quality utility service, they are often strained. This might compel some users to start thinking about alternative sources.

Table 9: Correlation matrix for stock planning and performance of MGC

Study Variables		Stock PlanningPerformance	
Stock Planning	Pearson Correlation	1	.607*
	Sig. (2-tailed)		.000
	N	101	101
Performance	Pearson Correlation	.607*	1
	Sig. (2-tailed)	.000	
	N	101	101

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Generated by SPSS

Table 9 shows that there is a moderate positive relationship between stock planning and performance of utility organizations in Uganda, ($r=0.607$ $p=0.000$ $N=58$). The relationship is statistically significant at 95% confidence level since $p\text{-value}<0.050(=0.000)$. This implies that improved stock planning shall lead to improved performance of utility organizations in

Uganda. Similarly, declined stock planning shall lead to declined performance of utility organizations in Uganda. Regression analysis was further used to establish the extent to which stock planning contributes towards performance of utility organizations in Uganda. The coefficient of determination (R Square) was used and the results are presented in the table below.

Table 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.607 ^a	.369	.357	.49975

a. Predictors: (Constant), Stock planning

Source: Generated by SPSS

Table 12 shows that the coefficient of determination (Adjusted R Square) is 0.357. This implies that stock planning accounts for 35.7% of the variance in performance of utility organizations in Uganda. This means that there are factors outside the study variable - stock planning that contribute to the greater percentage of performance of utility organizations in Uganda.

To assess the overall significance of the model, Analysis of Variance (ANOVA) was done and the results presented in the table below.

Table 11: Analysis of Variables (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	8.168	1	8.168	32.706	.000 ^b
Residual	13.986	56	.250		
Total	22.154	57			

a. Dependent Variable: Performance

b. Predictors: (Constant), Stock Planning

Source: Generated by SPSS

In determining whether a model is significant, the decision rule is that the calculated p-value (level of significance) must be less than or equal to 0.05. Since the calculated p-value of 0.000 is less than 0.05, the model was found to be statistically significant ($F=32.706$, $df = 1$, $p<0.05$ ($=0.000$)). This means that stock planning has a significant contribution to performance of utility organizations in Uganda.

Basing on the research findings from correlation analysis that established that stock planning has a moderate positive statistically significant relationship with performance of utility organizations in Uganda, and the findings from regression analysis that affirmed that stock planning has a significant positive contribution

to performance of utility organizations in Uganda.

Table 12: Views of respondents on stock replenishment

<i>Statements measuring stock replenishment</i>	<i>SA</i>	<i>A</i>	<i>NS</i>	<i>D</i>	<i>SD</i>	<i>Mean</i>	<i>St'd.D.</i>
<i>MGC does not delay the procurement of stock during replenishment</i>	0.0%	51.7%	3.4%	10.3%	34.5%	4.1	1.0
<i>MGC has policy of replenishment based on lead time</i>	58.7%	10.3%	0.0%	31%	0.0%	3.6	0.9
<i>MGC utilizes economic order quantity to place order for replenishment</i>	6.9%	44.8%	3.4%	44.8%	0.0%	2.9	1.1
<i>MGC always has safe stock to cater for stock outs</i>	0.0%	13.8%	0.0%	44.8%	41.4%	3.0	1.0
<i>MGC has stock officers who know how to calculate economic order quantities and reorder point</i>	0.0%	17.2%	3.4%	65.5%	13.8%	3.8	1.0
<i>MGC has ability to track inventories under procurement to ensure prompt delivery</i>	0.0%	13.8%	3.4%	41.4%	41.3%	3.0	1.2
<i>Replenishment enables the stock level to be maintained and I don't</i>	6.9%	31.0%	3.4%	58.6%	0.0%	3.1	1.1

lack any stock anytime							
MGC has procurement section which does not delay the procurement of inventories during replenishment	6.9%	6.9%	10.3%	58.6%	17.2%	3.7	1.1
MGC uses automated order process to enable stock to be procured and delivered in time	0.0%	6.9%	6.9%	79.3%	6.9%	3.9	0.6
MGC has suppliers who deliver stock in time	6.9%	.31%	3.4%	55.2%	3.4%	2.6	1.1
Average						3.1	1.0

Source: Primary data, 2022

Key: SA - Strongly Agree, A - Agree, NS - Not Sure, D - Disagree, SD - Strongly Disagree

Table 12 shows that the majority of the respondents were in agreement on all the statements used to measure stock replenishment as elaborated below.

On whether MGC does not delay the procurement of stock during replenishment, the majority of the respondents, 51.7% agreed, while a substantial number 44.8% disagreed and only 3.4% were not sure. And on whether MGC has policy of replenishment based on lead time, the majority, 69.0% agreed while 31.0% disagreed. Similarly, the majority, 51.7% agreed that MGC utilizes economic order quantity to place order for replenishment, while a substantial number 44.8% disagreed and only 3.4% were not sure.

The majority, 86.2% however disagreed on whether MGC always has safe stock to cater for stock outs, while 13.8% agreed. Similarly, the majority, 79.3% disagreed that MGC has stock officers who know how to calculate economic order quantities and reorder point, while 17.2% agreed and only 3.4% were not sure. And on

whether MGC has ability to track inventories under procurement to ensure prompt delivery, the majority, 82.7% disagreed, while 13.8% agreed and only 3.4% were not sure.

On whether replenishment enables the stock level to be maintained and don't lack any stock anytime, the majority, 58.6% disagreed, while a substantial number 37.9% agreed and only 3.4% were not sure. And on the issue of whether MGC has procurement section which does not delay the procurement of inventories during replenishment, the majority, 75.8% disagreed, while 13.8% agreed and 10.3% were not sure. Similarly, the majority, 86.2% disagreed that MGC uses automated order process to enable stock to be procured and delivered in time, while 6.9% agreed and a similar number were not sure. Furthermore, the majority, 58.6% disagreed that MGC has suppliers who deliver stock in time, while a substantial number 37.9% agreed and only 3.4% were not sure.

The average mean of 3.1 for stock replenishment is an indication that on average the respondents were not sure on the statements measuring stock replenishment with a standard deviation of 1.0 implying that their responses moderately varied from the mean.

Stock replenishment and Performance of MGC

Study variables		Stock Replenishment	Performance
Stock replenishment	Pearson Correlation	1	.725*
	Sig. (2-tailed)		.000
	N	101	101
Performance	Pearson Correlation	.725*	1
	Sig. (2-tailed)	.000	
	N	101	101

Table 13: Correlation matrix for Stock replenishment and performance of utility organizations in Uganda

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Generated by SPSS

Table 13 shows that there is a strong positive relationship between stock replenishment and performance of utility organizations in Uganda, ($r=0.725$ $p=0.000$ $N=58$). The relationship is statistically significant at 95% confidence level since $p\text{-value}<0.050(=0.000)$. This implies that improved stock replenishment shall lead to improved performance of utility organizations in Uganda. Similarly, declined stock replenishment shall lead to declined performance of utility organizations in Uganda. Regression analysis was further used to establish the extent to which stock replenishment contribute towards performance of utility organizations in Uganda. The coefficient of determination (R Square) was used and the results are presented in the table below.

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 ^a	.525	.517	.43334

a. Predictors: (Constant), Stock replenishment

Source: Generated by SPSS

Table 14 shows that the coefficient of determination (Adjusted R Square) is 0.517. This implies that stock replenishment accounts for 51.7% of the variance in performance of utility organizations in Uganda. This means that there are factors outside the study variable - stock replenishment that contribute to the greater percentage of performance of utility organizations in Uganda.

To assess the overall significance of the model, Analysis of Variance (ANOVA) was done and the results presented in the table below.

Table 15: Analysis of Variables (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.638	1	11.638	61.977	.000 ^b
	Residual	10.516	56	.188		
	Total	22.154	57			

a. Dependent Variable: Performance

b. Predictors: (Constant), stock replenishment

Source: Generated by SPSS

In determining whether a model is significant, the decision rule is that the calculated *p*-value (level of significance) must be less than or equal to 0.05. Since the calculated *p*-value of 0.000 is less than 0.05, the model was found to be statistically significant ($F=61.977$, $df = 1$, $p<0.05$ ($=0.000$)). This means that stock replenishment has a significant contribution towards performance of utility organizations in Uganda. Basing on the research findings from correlation analysis that established that stock replenishment has a strong positive statistically significant relationship with the performance of utility organizations in Uganda, and findings from regression analysis that affirmed that stock replenishment has a significant positive contribution towards performance of utility organizations in Uganda.

Table 16: Views of respondents on stock control

Statements measuring stock control	SA	A	NS	D	SD	Mean	St'd D.
MGC has effective stock control policy in place	50%	15.5%	6.9%	10.4%	17.2%	3.9	1.0
MGC has stock files to record stock receipts and usage	13.8%	48.3%	6.9%	31%	0.0%	3.0	1.2
MGC has stock control software to monitor receipts and issues	22.1%	45.4%	3.4%	25.6%	3.5%	2.3	1.1
MGC has stock control procedure which enables identification of	34.5%	41.4%	3.6%	20.5%	0.0%	2.5	1.1

obsolete stock for disposal							
MGC has stock control procedure which ensures no stock out therefore my performance is not affected by stock out	13.8%	48.2%	3.4%	34.6%	0.0%	2.8	1.1
MGC utilizes stock control to mitigate the risk of theft, damage, deterioration etc.	0.0%	10.3%	3.4%	48.2%	38.1%	2.1	1.1
MGC has facility to track stock movement on a daily basis	21.1%	20.3%	6.9%	34.5%	17.2%	2.5	1.2
MGC utilizes stock control as a means to hedge against future changes in price and demand change	6.9%	24.1%	3.4%	65.5%	0.0%	3.3	1.1
MGC uses Just in time (JIT) as means of controlling stock	48.3%	37.9%	3.4%	10.3%	0.0%	2.5	1.2
MGC has computers for all stock officers to facilitate effective record keeping	6.9%	24.1%	3.4%	65.5%	0.0%	3.3	1.1

Key: SA - Strongly Agree, A - Agree, NS - Not Sure, D - Disagree, SD - Strongly Disagree

Source: Primary data

Table 15 shows that the majority of the respondents were in agreement on all the statements used to measure stock control as elaborated below.

On MGC has effective stock control policy in place, the majority, 65.5% agreed, while 27.6% disagreed and only 6.9% were not sure. And on whether MGC has stock files to record stock receipts and usage, the majority, 62.1% agreed, while a substantial number 31.0% disagreed and only 6.9% were not sure. Similarly, the majority, 67.5% agreed that MGC has stock control software to monitor receipts and issues, while 29.1% disagreed and only 3.4% were not sure.

On the issue of whether MGC has stock control procedure which enables identification of obsolete stock for disposal, majority, and 75.9% agreed, while 20.5% disagreed and only 3.6% were not sure. Similarly, the majority, 62.0% agreed that MGC has stock control procedure which ensures no stock out therefore my performance is not affected by stock out, while a substantial number 34.6% disagreed and only 3.4% were not sure.

The majority, 86.2% however disagreed on whether MGC utilizes stock control to mitigate the risk of theft, damage, deterioration etc., while 10.3% agreed and only 3.4% were not sure. Similarly, the majority, 51.7% disagreed that MGC has facility to track stock movement on a daily basis, while a substantial number 41.4% agreed and only 6.9% were not sure. Furthermore, the majority, 65.5% disagreed that MGC utilizes stock control as a means to hedge against future changes in price and demand change, while a substantial number 31.0% agreed and only 3.4% were not sure.

On whether MGC uses Just-in-time (JIT) as means of controlling stock, the majority (86.2%) agreed, while 10.3% disagreed, while 3.4% were not sure, and concerning whether MGC has computers for all stock officers to facilitate effective record keeping, the majority (65.5%) disagreed, 31.0% agreed, and 3.4% were not sure.

The average mean of 2.8 for stock control is an indication that on average the

respondents were not sure on the statements measuring stock control with a standard deviation of 1.1 implying that their responses moderately varied from the mean.

Stock control and Management cost of MGC

Table 17: Correlation matrix for stock control and performance of utility organizations in Uganda

Study Variables		Stock control	Performance
Stock control	Pearson Correlation	1	.422*
	Sig. (2-tailed)		.000
	N	101	101
Performance	Pearson Correlation	.422*	1
	Sig. (2-tailed)	.000	
	N	101	101

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Generated by SPSS

Table 16 shows that there is a moderate positive relationship between stock control and performance of utility organizations in Uganda, ($r=0.422$ $p=0.000$ $N=58$). The relationship is statistically significant at 95% confidence level since $p\text{-value}<0.050(=0.001)$. This implies that improved stock control shall lead to improved performance of utility organizations in Uganda. Similarly, declined stock control shall lead to declined performance of utility organizations in Uganda.

Regression analysis was further used to establish the extent to which stock control contributes towards performance of utility organizations in Uganda. The coefficient of determination (R Square) was used and the results are presented in the table below.

Conclusions

From the findings it was concluded that stock planning has a moderate positive relationship with performance and significant contribution towards performance of utility organization in Uganda. This means that improvements in stock planning such as proper records keeping shall have a significant positive contribution towards performance of utility organizations in Uganda. Management of MGC

should therefore be encouraged to improve on records keeping so as to contribute towards performance of the company.

Recommendations

Utility organizations in Uganda, particularly MGC should invest more money in ICT for stock planning in order to enable easy, effective and efficient planning which will ensure stock outs are minimized and adequate stock maintained all the time. Utility organizations should hire experts on stock planning to best guide them on how to develop feasible stock plans which will ensure adequate stock throughout the year.

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