
**INVENTORY MANAGEMENT PRACTICES AND ORGANIZATIONAL
PROFITABILITY OF SAVE MORE INVESTMENTS LIMITED. A CASE STUDY OF KIRYANDONGO
DISTRICT.**

1 Amajuru Vincent, 2Dr Arinaitwe Julius, 3 Iumba Alex

1, 2, 3 Metropolitan International University

ABSTRACT

The study aimed at inventory management practices and organizational profitability of save more investments limited and it was guided by the following objectives; To examine the relationship between storage practices and organizational profitability of save more investment limited, to assess the relationship between lead time management and organizational profitability of save more investment limited and to determine the relationship between packaging and organizational profitability of save more investment limited. The study adopted cross sectional and quantitative study design as its frame work to guide the process of data collection and processing on the assessment of inventory management on organizational profitability of save more investment limited Kiryandongo. It was realized that product packaging was of great impact to organizational profitability of save more investment limited Kiryandongo this was in a way that, Use of packaging materials for product identification and use of glass as packaging materials contributes 13.3% each to organizational profitability, 26.7% being contributed by paper materials for product packaging, use of plastic materials contributes 20% to organizational profitability, use of steel and aluminum like materials contributes 10% and 16.7 being the contributions of employing experience employees towards attaining profitability respectively. The study also recommends top management in most organizations to emphasis on the proper inventory management practices and measuring of efficiency deviations to identify weaknesses in the process of managing inventories.

Key words: inventory management practices and organizational profitability

Background Of the Study.

Profitability is the relationship amongst income and expenses generated thru using the corporation's assets each day and glued-in green sports activities sports " (Polycarp et al., 2023). This ratio is used to degree and help manage earnings, particularly with the useful resource of manner of developing sales, developing margins, getting greater benefits from expenses, or an aggregate of these three topics. (Fauziah et al., 2017) Gitman (2018). Profitability is the potential of a given funding to earn a return from its use (Tulsian, 2017). besides, agencies which can be controlled efficaciously command higher earnings (Annet et al., 2023).

Profitability is defined as a dating amongst income and capital (the statistical resources set aside to earn the ones income) in which income is the excess of resources earned over sources multiplied or profits tons less charges. Measuring profitability technique that you have to relate profits determine (from the income and loss account or announcement of comprehensive earnings) to a beneficial useful resource figure (from the steadiness sheet or announcement of monetary role) (Oromo et al., 2023). Every different size of profitability can be from the stand component of the functionality of income to earn an internet boom go back or the quantity to which net or average property are able to contribute to the net go returned generated through the company on the style of specific measurement or accounting duration (Heshmati 2019).

Profitability is articulated in several government frameworks and strategic plans. in particular, Uganda imaginative and prescient 2040 (Republic of Uganda, 2017) visualizes a converted Uganda from a low-income USA. To a modest pinnacle-center income state (Kazaara & Christopher, 2023). On this recognize, business enterprise area improvement in Uganda subjugates a massive characteristic in the government's vision. but, irrespective of the vital feature of profitability as described in advance, earnings from organization firms, especially small and medium organizations were definitely terrible (Oromo et al., 2023). that is due to limited get admission to much less expensive credit score, e9903ad95ad37314b776e582a45a05bf, unreliable, and inadequate raw materials, unreliable supply of inputs, low stage of era, and shortage of improvements mastery, which adversely influences on profitability (Derrick et al., 2023). furthermore, Uganda Bureau of facts (2018) supported this proof through the groups' normal performance index among 2015 and 2017 which became seen to be inconsistent (Winny et al., 2023).

Problem Statement

The going situation of each organization can't be surely valued in absence of impacts of profitability which may be indicated or measured by way of the usage of return on investment, pass again on asset, go back on fairness to say however few. stock control practices are considered to be a crucial base for organizational profitability (Musaibah et al., 2023). profitability is the capability of a given funding to earn a cross returned from its use (Tulsian, 2017). Profitability is described as after-tax earnings divided via way of the whole rate of steady assets (Faridah et al., 2023). stock management may be referred to as framework hired via organizations in controlling their interest in stock. It includes the recording and looking at of stock degree, estimating future request, and deciding on at the same time as and the way to installation (Christopher et al., 2022). Many researchers have accomplished studies approximately small-scale businesses in Uganda and leaving out stock control like Kagimu Bernard of Makerere college, Kasigwa Gerald of Uganda manipulate Institute and others (Racheal et al., 2023). Who

researched approximately client care strategies and profitability, patron rate manage and increase, taxation and profitability this has created an opening of statistics the effect of stock manipulate on organizational profitability of small scale groups (Tasha et al., 2023) like store greater investments constrained of which in the beyond day modified into incomes immoderate income at the prevent of trading periods how each in present day-day days the company is seen to revel in reductions of their profitability degree which consistent with the supervisor the ones come to be attributed to upward push of some sturdy competition, expire of merchandise in stock specially all through the covid 19 lockdown in which public delivery systems in which shutdown and but their esteemed clients are vacationers thru public method of delivery (Brighton et al., 2023)and it's miles upon this historical beyond that the researcher intends to executed a observe to have a look at the family individuals amongst inventory control practices and organizational profitability of preserve extra investments restrained (Mark et al., 2023).

Objectives Of the Study

- To examine the relationship between storage practices and organizational profitability of save more investment limited.
- To assess the relationship between lead time management and organizational profitability of save more investment limited.
- To determine the relationship between packaging and organizational profitability of save more investment limited.
- To evaluate the relationship between inventory management and organizational profitability of save more investment limited.

Research Questions.

- What is the relationship between storage practices and organizational profitability of save more investment limited?
- What is the relationship between lead time management and organizational profitability of save more investment limited?
- What is the relationship between packaging and organizational profitability of save more investment limited?
- What is the relationship between inventory management and organizational profitability of save more investment limited?

Methodology**Research design**

The study adopted cross sectional and quantitative study design as its frame work to guide the process of data collection and processing on the assessment of inventory management on organizational profitability of save more investment limited Kiryandongo. According to Kothari (2004), cross sectional survey design is the collection of data mainly using questionnaires to capture quantitative data at a single point in time. The quantitative approach will be adopted to measure the magnitude of the various constructs and variables that are conceptualized in the study.

Study population

Population refers to the entire group of people, events or things of interest that the researcher wishes to investigate (Sekaran 2014). Save more investment limited has an actual population of 45 (forty-five) employees in all the departments like supermarket, restaurant, bar, guest house and grocery shop (Asiimwe Gloria manager 2020). However, the target population will be 40 staffs selected from Head quarter and working in different departments.

Data collection instruments.

The researcher employed survey questionnaires that was self-administered among the staffs for answering, The Purpose of using this instrument was that questionnaires are easy to qualify and analyze. Furthermore, this was use because the study was to emphasis much on staff's attitudes, feelings opinions and the perceptions.

Sampling method

The researcher employed purposive in addition to Snowball Sampling during the process of data collection from the study respondents. The study used purposive sampling techniques because it was assumed to allow the researcher to select a sample with experience and knowledge about the study variables and this method was used to select staff, non-manager respondents and clients' respondents from the study area.

Sample size determination.

From the target population of 40 respondents from staff working in different departments at save more investment limited and a sample of 40 respondents of both sexes were selected using Krejcie and Morgan (1970) sample size

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determination model. These respondents included respondents from different sections under various departments but they deal directly with inventories under different circumstances. These respondents included 01 respondent from human resource department, 05 from procurement, 04 from operations and production, 10 Sales and marketing, 05 respondent from finance and accounting department, 10 respondents who are the direct Company clients purchasing products from the company, 03 respondents from research and development department and 02 respondents from quality assurance department.

The researcher used a sample size of 40 respondents because it was large enough for the study to obtain reliable information and result recording.

Study Variables

The study was guided by the following two variables; Inventory management as an independent variable and organizational profitability as a dependent variable. Inventory management was measured by the storage practices, lead time management and packaging. However, during the study, organizational profitability was commonly measured by return on invested capital, return on asset and return on equity and operation profit margin.

Data analysis

The collected data was edited as this involved sorting of the collected information in order to get information that is relevant to the study variables. At this stage all the responses were looked through by the researcher while giving codes to the answered options. Data was then be entered into the computer and analyzed by the use of Statistical Package for Social Scientists (SPSS) program that was used to develop frequency tables (Nelson et al., 2022). However, qualitative data was analyzed by developing themes (headings) or sub themes, which was derived from the study objectives. Both quantitative and qualitative techniques was used during data analysis.

RESULTS

Table 1: Relationship between storage practices and organization profitability

storage practices and organization profitability.	Frequency	Percentage
Files for recording inventory receipts	10	33.3
Economic order quantity to order item.	03	10
ABC analysis for analyzing net worth of stocking.	03	10
Vendor management practices.	02	6.7
JIT storage practices	03	10
Computers for inventory officers	09	30

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record taking		
TOTAL	30	100

Source: primary data (2020)

It was found out that storage practices have a relation to organizational profitability of save more investment limited Kiryandongo where files for recording inventory receipts represents 33.3%, Economic order quantity for ordering constitutes 10%, ABC analysis for analyzing inventory represents 10%, vendor management represents 6.7%, JIT storage practices constitute 10% and computers for inventory officers represents 30% of the total response respectively.

Table 2: Relationship between lead time and organization profitability of save more investment limited Kiryandongo, table 4.5 shows the results.

Lead time management and organization profitability.	Frequency	Percentage
Procurement section	05	16.7
Suppliers who deliver on time	10	33.3
Inventory officers who manage inventories	10	33.3
Automated order process to manage ordering process	5	16.7
Total	30	100

Source: primary data (2020)

It was found out that lead time management is one of the strategies for determining organizational profitability of save more investment limited Kiryandongo. This is because procurement sections and automated process contributes 16.7% each, on the other hand functions of inventory officers and suppliers who deliver on time contributes 33.3% each to the organization profitability respectively (Musaibah et al., 2023).

Table 3: Relationship between product packaging and organization profitability

packaging and organization profitability	Frequency	Percentage
Use of paper materials	08	26.7
Experienced employees to handle product packaging	05	16.7
Use of plastic materials for	06	20

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product packaging		
Use of steel and aluminum like material for product packaging	03	10
Use of packaging materials for product identification	04	13.3
Use of glass for packing and handling products	04	13.3
Total	30	100

It was realized that product packaging is of great impact to organizational profitability of save more investment limited Kiryandongo this was in a way that, Use of packaging materials for product identification and use of glass as packaging materials contributes 13.3% each to organizational profitability, 26.7% being contributed by paper materials for product packaging, use of plastic materials contributes 20% to organizational profitability, use of steel and aluminum like materials contributes 10% and 16.7 being the contributions of employing experience employees towards attaining profitability respectively.

Conclusions.

Based on the research findings of the study conducted on inventory management practices and organization profitability of save more investment limited Kiryandongo, it was concluded that inventory management practices like storage practices, lead time management and packaging practices to mention but few have much of positive influence on organizational profitability like of save more investment limited Kiryandongo. In addition, it is concluded that the kind of relationship between inventory management practices and organizational profitability of save more investment limited Kiryandongo can either be positive or negative depending on how the practiced of inventory management are used and how it is applied.

Recommendations

Since inventory management practices do not normally lead to immediate efficiency of the Company for improved performance, the study recommends management in manufacturing companies to always forward planning, centralize the purchase and store function, carry out stock taking exercise periodically if such factors are adopted together then performance and efficiency of the Company will be greatly influenced positively in terms of organizational profitability. The study also recommends top management in most organizations to emphasis on the proper inventory management practices and measuring of efficiency deviations to identify weaknesses in the process of managing inventories.

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