

**The Impact Of Logistics Management On The Performance Of An Organizational. Case Study Of
Century Bottling Company (Coca Cola), Namanve (U)**

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Abstract

This study examined the impact of Logistics Management being the independent variables, on the performance of an organization being the dependent variable. The study also looked at the effect of the logistics performance as the moderating variable on the relationship between logistics management and organization performance. The specific objective of the study was to examine the impact of Logistics Management on Organization Performance. The study used both descriptive and explanatory research designs. The target populations for this study were the employees of Century Bottling Company in Namanve. A semi-structured questionnaire was administered through the e-mail survey and hand delivery. Secondary data was obtained from both published and unpublished records. The questionnaire was tested for validity and reliability. Both quantitative and qualitative techniques were used to analyses the data with the assistance of SPSS software program version 22. Logistics management and information systems moderating effect were tested by E-test. The study found that Logistics Management, inventory management, order process management and information flow management were individually predictors of Organization performance with inventory management being the most significant predictor. The study established that logistics information system was a moderating factor in the study. The results support the current theories related to the study. Consequently, this study provides firms' managers with insights of how organization can develop a competitive edge through the implementation of logistics management. This study therefore, recommends that factors associated with logistics management need to be considered by organizations in their performance strategic plans as they have significant impact on performance. Further, the government should provide incentives to information systems associated with logistics management since they have direct impact on organizational performance such as tax discount on logistics information systems. The study concludes that logistics management has the potential of positively influencing performance on organizations in terms of cost reduction, timely delivery, reduced lead time, demand realization, increased market share, quality products and customer service satisfaction.

Key Words: Logistics, Management and Performance

Background of the study

The study was anchored in the contingency theory of Professor Fred Edward Fiedler (Winny et al., 2023). Contingency theory is an organizational theory that asserts that there is no one best way to organize society, manage society, or make decisions. Instead, the optimal course of action depends on the internal and external

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situation. Contingency theory of leadership states that effective leadership depends on the current situation (Isaac et al., 2023). Basically, it depends on whether the individual's leadership style matches the situation (Faith et al., 2023). According to this theory, someone can be an effective leader under certain circumstances and an ineffective leader under others. Contingency theory of leadership assumes that a leader's effectiveness depends on whether his leadership style matches the specific situation (Ntirandekura & Christopher, 2022). According to this theory, an individual can be an effective leader in one situation and an ineffective leader in another. To maximize the likelihood of becoming a productive leader, this theory suggests that you should be able to examine each situation and decide whether or not your leadership style will be effective. In most cases, this requires you to be confident, objective and adaptable (Ntirandekura & Christopher, 2022).

Since local governments are at the lowest level, they are the first line of response to disasters that affect local populations (T. Christopher et al., 2022). Urban risks, urban planning and management, and the role of local governments in addressing risk reduction have been recognized as key factors in building resilient communities and nations since the inception of the International Strategy for Disaster Reduction (Willies et al., 2022). The Hyogo Framework for Action 2005–2015 considers that both communities and local authorities should be empowered to manage and reduce disaster risk by having access to the necessary information, resources and authority to take action (Edgar & Moses, 2023a).

The skills and abilities of both technical and policy personnel need to be improved through training and capacity building programs (F. Christopher et al., 2022). The trainings are the first part of a UNICEF-funded project aimed at strengthening the preparedness and response of local governments to emergencies in Uganda. During the year-long project, implemented by World Vision in partnership with the Office of the Prime Minister, more than 120 local government officials in four districts will be equipped to respond effectively and timely to disasters (Edgar & Moses, 2023b). The main emphasis is on achieving active district involvement in the development of a crisis plan that will guide district disaster management (Justus, n.d.). Capacity building is very essential in building capacity for disaster management, especially in generating and processing information, as well as creating clear plans for risk assessment and management (Viola et al., 2023)

The Ministry of Budget Monitoring and Accountability in its 2019 report cited some challenges in the effectiveness of disaster risk reduction and management in Uganda, which were: the absence of a law to govern disaster risk reduction and management (Akankwasa et al., 2022); the contingency fund as set out in the Public Finance Management Act 2015 has not yet been operationalized, government resources are focused primarily on disaster management rather than risk mitigation and reduction; lack of funding for local governments for, among other things, disaster management, preparedness and prevention (Kazaara &

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Christopher, 2023). The main objective of disaster preparedness is to ensure that appropriate administrative, legislative and technical measures, including procedures and resources, are in place at the time of a disaster to assist those affected by the disaster and enable them to cope. The goal of disaster preparedness is to minimize the adverse effects of hazards through effective preventive measures and to ensure the timely, appropriate and effective organization and delivery of emergency services (Brighton et al., 2023). Disasters and emergencies are too often seen as abnormal events, separate from 'normal life'. In reality, however, disasters and emergencies are a fundamental reflection of normal life. They are the consequences of the way society is economically, socially, politically structured and its relationship with the environment. Challenges facing local governments in disaster management and preparedness including; Lack of capacity for disaster management and preparedness. As in Africa, Vietnam and Bangladesh, it has been shown that most local governments lack the necessary competencies to effectively and efficiently deal with local disasters, and their partnership with non-state actors such as NGOs would play a catalytic role in building the necessary capacity, but also fill the gap by local authorities (Ntirandekura & Christopher, 2022).

Statement of the problem

Landslide losses and damages in Uganda are mounting and have serious implications for the survival, dignity and livelihood of our citizens, especially the poor in the high mountain sub-regions and peripheries, eroding the country's hard-earned development gains (Nicholas et al., 2023). Disaster risk is increasingly becoming a global issue and its impact in one region can have a corresponding impact on lives and livelihoods in another region and vice versa (Zulaikah & Rebecca, 2023). Manafwa district has witnessed several disasters and mostly landslides during the rainy season, claiming thousands of lives and displacing several of them (OPM, 2022). The National Disaster Preparedness and Management Policy 2011 envisages the creation of various structures at the local government level including; District Technical Committee on Disaster Management; District Emergency Coordination and Operations Center; Municipal / Urban Disaster Policy Committee; Municipal / City Disaster Management Technical Committee; Sub District Disaster Management Committees (SDMC) and Village Disaster Management Committee (Paul et al., 2023). Unfortunately, the disaster management policy does not appear to be effectively implemented and local governments in the district clearly lack adequate capacity for disaster management and prevention in their localities with little financial and humanitarian support from the central government and its partners. If this trend continues, we are most likely to lose millions of people and valuable assets, witness the stagnation of agriculture and the diversion of huge national resources meant for national development only to deal with landslide calamities in the country that adversely affect our national economy and people's prosperity. The researcher therefore intends to explore the subject more based on these contexts and look for sustainable solutions.

Purpose of the study

The purpose of the study was to find out the impact of Logistics Management on the performance of Century Bottling Company,

Objectives of the study

- i. To find out how the management of inflow of inventory leads to achievement of organization objectives.
- ii. To identify the control and distribution channels for goods and services of Century Bottling Company.
- iii. To find out how the management of warehoused materials leads to the achievement of organization desired goal.

Research questions

- i. What is the relationship between the management of inflow of inventory and the achievement of organization objectives?
- ii. What are the control and distribution channels for goods and services of Century Bottling Company?
- iii. How the management of warehoused materials lead to the achievement of organization desired goal?

Methodology.

The study adopted both descriptive and explanatory research designs. On one hand, descriptive research design combined with graphical illustrations was used to describe various variables of interest. On the other hand, explanatory research design was used to establish the magnitude, direction and significance of various logistic management factors on performance of century bottling company. The study population involved all the registered employees of Century Bottling Company. These was chosen by use of sampling method from different departments. Purposive sampling was used to determine the sample size. Respondents was grouped in Strata and simple random sampling was used to limit on the biasness of purposive sampling. The sample size was 125 respondents and comprised of 72 operational staff and 53 managerial staff. This is presented in the table below.

Table 1: Sample Size and Composition

Category	Sample Size	Selection Method
managerial staff	53	Purposive Sampling
Operational Staff	72	Simple Random and Systematic Sampling
Total	125	

Primary sources included historical and legal documents, eyewitness accounts, and results of experiments, statistical data, pieces of creative writing, audio and video recordings, speeches, and art objects for Century Bottling Company. Interviews, surveys, fieldwork, and Internet communications via email, blogs, and news groups' also primary sources. In the natural and social sciences, primary sources are often empirical studies research where an experiment was performed or a direct observation was made. The results of empirical studies are typically found in scholarly articles or papers delivered at conferences (achonjo 2015).

Secondary sources describe, discuss, interpret, comment upon, analyze, evaluate, summarize, and process primary sources. Secondary source materials was articles in newspapers or popular magazines, book or movie reviews, or articles found in scholarly journals that discuss or evaluate someone else's original research. These were got from respective departments of the organization. The study used questionnaires to collect data from employees in century bottling company. The questionnaire is a common instrument for observing data beyond the physical reach of the observer (Davies & Dodd, 2002).

The data collected was checked for completeness and comprehensibility. The data was then summarized, coded and tabulated. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyze the data. Data was entered into the statistical package for social science (SPSS) for analysis. SPSS was used to perform the analysis as it aids in organizing and summarizing the data by the use of descriptive statistics (Nelson et al., 2022). Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables. Regression analysis was used to establish the extent, to which the independent variables transport, logistics, procurement, ICT warehousing, sales & marketing, human resources & training and research and analysis explain the impact of outsourcing on performance of the organization (Nelson et al., 2023). The model was depicted as follows $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e_i$ Where: Y is Organizational performance, a-is the Y intercept when x-is zero b_1, b_2 and b_3 are the regression weights attached to the variables X_1 = Supply chain management X_3 =ICT X_2 =Sales and marketing X_4 =Human resources and training X_5 =Logistics

Results.

The management of inflow of inventory leads to achievement of organizational objectives

Table 2: Management of inflow of inventory

RESPONSE	SA		A		NS		D		
	F	%	F	%	F	%	F	%	F
Inventory management has reduced costs, overheads and other fixed costs	48	38.0	30	24.0	15	12.0	0.0	0.0	32
The cost of inventory management is lower than the cost of acquiring goods	60	48.0	25	20.0	10	8.0	19	15.0	11

Inventory management has reduced the risk of doing business	70	56.0	20	16.0	3	2.0	12	10.0	20
Management of inventory has created great improvement	29	23.0	60	48.0	30	24.0	6	5.0	0.0
Inventory management has created better short term performance	67	54.0	15	12.0	0	0.0	35	28.0	8
Inventory management is a way to meet instant production	52	42.0	38	30.0	16	13.0	19	15.0	0.0

From the table above. 48 (38%) of the respondents noted that Inventory management has reduced costs such as overheads and other fixed costs in my company, 30 (24%) of the respondents agreed and 15 (12%) were not sure about this. The study then shows that none of the respondents disagreed, while 32 (26%) strongly disagreed. From the table 60 (48%) of the respondents confirmed that the cost of inventory management is lower than the cost of acquiring goods from different suppliers. 25 (20%) of the respondents agreed, 10 (8%) were not sure, only 19 (15%) disagreed, while 11 (9%) strongly disagreed about the argument. According to the table, 70 (56%) of the respondents noted that the inventory management has reduced the risk of doing business, 20 (16%) of the respondents agreed, and 3 (2%) were not sure about this, 12 (10%) of the respondents disagreed and 20 (16%) strongly disagreed. The study also established that Management of inventory has created great improvement inefficiency, it should be noted that 29 (23%) of the respondents strongly agreed, 60 (48%) agreed and 30 (24%) were not sure, 6 (5%) disagreed that management of the inventory has created a great improvement inefficiency while none of the respondents strongly disagreed. According to the table, 67 (54%) of the respondents said that inventory management has created better short term performance, 15 (12%) of the respondents agreed, none of the respondents were not sure, while 35 (28%) disagreed and 8 (6%) of the respondents strongly disagreed From the table above, inventory management is a way to meet instant production, it was noted that, 52 (42%) of the respondents strongly agreed, 38 (30%) agreed, 16 (13%) were so uncertain, 19 (15%) of the respondents disagreed while none of the respondents strongly disagreed.

To identify the control and distribution channels for goods and services

Table 3: Control and Distribution Channels

RESPONSE	SA		A		NS		D		
	F	%	F	%	F	%	F	%	F
We distribute and control new products	45	36.0	27	22.0	35	28.0	6	5.0	12
We need to deliver newer products	38	30.0	47	38.0	15	12.0	25	20.0	0
The company makes use of agents to distribute its products	70	56.0	14	11.0	21	17.0	20	16.0	0
Direct distribution has cut down costs of paying intermediaries	62	50.0	17	14.0	15	12.0	1	1.0	10
Better distribution channels yields customer satisfaction	46	37.0	40	32.0	24	19.0	15	12.0	0
Distribution makes organization remained competitive in the industry	63	50.0	11	9.0	32	26.0	19	15.0	0

Source: Primary, 2023

According to the table 8 (36%) of the respondents strongly agreed and 27 (22%) agreed respectively that the century bottling company develop, distribute and control the movement of new products every so often. 35 (28%) were not sure and 12 (10%) of the respondents disagreed about this. Most of the verbal findings indicated that it is an obligation on logistics to be fair, honest and avoid conflicts of interest in their dealings with clients. The findings from the researcher indicated in the above shows that 38 (30%) of the respondents strongly agreed, 47 (38%) agreed, 15 (12%) were not sure, 25 (20%) disagreed, while none strongly disagreed. The respondents agreed that we need to deliver newer products and services to maintain our competitiveness. From the table, 70 (56%) of the respondents strongly agreed that the company makes use of Agents to distribute its products 14 (11%) agreed, 21(17%) were not sure, 20 (16%) disagreed, while none strongly disagreed. Further still, the findings in the table indicate that 70 (56%) of the respondents strongly agreed that the company makes use of Agents to distribute its products in the field most of these supported this point by saying that the company makes use of Agents to distribute its products. The findings from the researcher indicated in the above shows 62 (50%) strongly agreed, 17 (14%) of the respondents agreed, 15 (12%) were not sure, 1 (1%) disagreed and 30 (24%) strongly disagreed that direct distribution has cut down costs of paying intermediaries.

How the management of warehoused materials leads to the achievement of organization desired goal

Table 4: Management of warehoused materials

RESPONSE	SA		A		NS		D		F
	F	%	F	%	F	%	F	%	
The company has increased its customers	58	46.0	20	16.0	10	8.0	10	8.0	27
The company always get demand in time	40	32.0	18	14.0	27	22.0	15	12.0	25
The company saves more profits by running its own ware house system	60	48.0	20	16.0	25	20.0	20	16.0	0
Ware house management has expanded its best-in-world competencies	20	16.0	40	32.0	15	12.0	20	16.0	30
The company finds it more effective in using ware houses to store both finished goods and raw materials	49	39.0	11	9.0	29	23.0	36	29.0	0
Warehouse management has created flexibility in organizational structures	68	54.0	21	17.0	20	16.0	10	8.0	6

Source: Primary, 2023

According to the table 9, 58 (46%) of the respondents strongly agreed and 20 (16%) agreed respectively that, the company has ideally increased its outreach to customers 37 (16%) were not sure, 27 (12%) disagreed and 11 (5%) Strongly disagreed to the idea. 40 (32%) of the respondents strongly agreed that the company always get availed with the required demand in time. The table then shows that 60 (48%) of the respondents strongly agreed that the company saves more profits by running its own ware house system, 20 (16%) agreed, 25 (20%) they were not sure, 20 (16%) disagreed and non-strongly agreed to the idea. The table indicates that 20 (16%) of the respondents strongly agreed, 40 (32%) agreed, 15 (12%) were no sure, while 20 (16%) strongly agreed, and 30 (24%) to the idea that ware house management has enabled our company to concentrate its efforts on building and expanding its best-in-world competencies. The table shows that 68 (54%) of the respondents strongly agreed, 21 (17%) agreed, 20 (16%) were not sure, 10 (8%) disagreed, while 6 (5%) strongly disagreed to the idea that warehouse management has created flexibility in our organizational structure and strategy that has given us a competitive edge in the market.

Conclusions

Companies may choose to incorporate management of inflow of inventory in their corporate strategies with a bid to reduce insufficient logistics management and risk while increasing efficiency. Strategic management of inflow of inventory results in improved organizational performance by reducing human resources risks and other risks associated with in house production, increasing operational efficiency, and therefore increasing profitability and growth. Well managed inventory results in reduction costs and long term efficiency and sustainable performance. Companies also have control and distribution channels for improving innovativeness in the market place. This is the ability to create, develop and deliver value to the market faster than its competitors. This strategic decision for the control and distribution channels for goods and services of Century Bottling Company results into greater flexibility and innovativeness thus creating competitive advantage which in turn leads to higher sales growth, increased profitability, increased customer satisfaction, hence increased market share. Logistics management creates the flexibility that is necessary for innovative growth which is both quicker and better, therefore improving the overall performance of the company. The success of control and distribution channels drives logistics largely depends on the success of the other two drivers for logistics management - control and a clear definition of a firm's core competencies. A careless approach to control and distribution channels can be a huge business mistake; therefore all factors must be carefully evaluated before the decision is taken. When the logistic services were transferred to customers of the company had to make changes as well. The interactions, for example order of goods, had to be done either online or by contacting the order processing staff in Uganda, These changes were seen positive, especially once the logistics management process was completed, since the customer was no longer so much tied to the company but could independently perform some purchasing functions. Some of the changes were positive. Good thing was the possibility to order goods online and to see the stock situation right away, rather than dial up someone to check it. We were no longer tied to working hours either, I could make the order basically anytime of the day. In the end, some of the changes made my work easier as well. A, Simila the overall service level that the company provided was seen to stay quite the same, although the amount of personal communication was reduced. For example the company's personnel was contacted only if there was a problem or a question which needed quick answer. The actual performance of the company's new warehousing and transportation services was seen to be quite good; it was also one of the main reasons for the positive tone. It does not matter where the warehouse is located as long as the deliveries are not affected. The delivery times were not affected, we still got the goods which were in stock within the next day. The interviewee saw that the main reasons for the overall "boom" of outsourcing in the business field are due to the competition and also cost reduction. The prices of the products are going down but the demand stays about the same. This would mean that the supplier need to find new margins from different sources.

Recommendations

This study recommends that firms should adopt efficient management of inflow of inventory and well thought of logistics management partnerships in order to continuously reduce operating costs for growth. Management of inflow of inventory should not be the only driving factor for logistics management.

This study recommends that companies should carefully consider their logistics management strategies to ensure that distribution channels helps in new innovations and the cost is controlled.

The study recommends that companies should clearly identify their core competencies from the non-core functions. Managers should review the potential benefit to be gained if materials are effectively warehoused. Logistics management strategy should be so structured that it enables the organization to concentrate its efforts on building its core competencies to a best-in-world level, so as to generate competitive advantage.

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