WWW.IJRPR.COM

International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Understanding the Factor influencing the Logistic Performance

Arfan Rehman Sherief[1], Dr Asad Ur Rahman[2]

[1]PhD Candidate, School of Graduate Studies (SGS), Management & Science University, Shah Alam 40100, Malaysia arfanrsherief@hotmail.com
[2]Lecturer, Faculty of Business Management and Professional Studies, Management & Science University, Shah Alam 40100 Malaysia asad_ur@msu.edu.my
DOI: https://doi.org/10.55248/gengpi.5.0524.1214

A B S T R A C T

This research aimed to explore how Supply Chain Management Practices impact the logistic performance of companies. The main goals were to evaluate how supply chain management affects the logistic performance of Malaysia's food and beverage industry. (2) To examine how well supply chain management in the Malaysian food and beverage sector impacts logistic performance. (3) To propose feasible remedies for addressing issues faced in the F&B industry. The researchers handed out surveys to gather information. This study examines how supply chain practices affect companies' logistic performance using Statistical Package for the Social Sciences (SPSS) version 16.0.

Keywords: Strategic Supply Chain Partnership, Relationship with customers, Level of Information shared, and Quality of Information shared

INTRODUCTION

Numerous sectors and companies have depended on supply chain management for a long time, with manufacturing being no different. Due to the unexpected onset of the Corona virus, both large companies and individuals have been impacted by a pandemic crisis. It may take some time for nations to recover fully from the pandemic, as they experienced economic weakness following it. According to Nikolopoulos et al. (2020), businesses and individuals have created new terms and conditions to ensure safe operations from home as well as remote sites. Managing the supply chain is a task that cannot be replaced by any other medium as it plays an important role in manufacturing organizations (Hobbs, 2020). Providing raw materials and delivering finished goods to distributors is the sole method for maintaining a manufacturing company's workflow.

The outbreak has greatly affected the supply chain and caused significant disruption to it. According to Belhouideg (2020), the pandemic affected not only businesses but the entire industry, causing both physical and economic harm to the organisation. People are losing their employment as a result of this harm to businesses and the economy, and prices have increased significantly. After this event, people panicked and decided against spending their money on fancy items. People learn to maintain their hygiene as well as to avoid buying fraudulent goods. In the food market, it has been observed that consumers are only willing to invest in the necessities of daily living. According to Zhu, Chou, and Tsai (2020), Malaysians cut back on spending on pricey and useless products during the epidemic, which also hurt the financial standing of the enterprises operating on the international market.

Historically, international businesses have suffered greater losses on the global market due to their reliance on imports and exports from other nations. Import-export was also discontinued in several nations, which caused the supply chain to be disrupted (Kumar & Mishra, 2020). In order to find out whether strategic supply chain partners, customer relationships, level of information sharing, and quality of information sharing have an impact on logistic performance and quality, this study examined their impact on logistic performance.

LITERATURE REVIEW

Underpinning Theory - Issues with traditional supply chains

In 1961, research on supply chain bottlenecks in the old system was conducted to reduce distribution costs. Four supply chain channels were analysed in this supply chain management study: retailers, wholesalers, distributors, and producers. Considering that inventory holding costs and distribution costs are dependent on the volume of stock, Cousins et al. (2019) view inventory management as a critical component of supply chain management. This study has determined that retail stores are the final stop before delivering items to final consumers. Therefore, retailers give wholesalers the information, and after passing through a number of steps, the manufacturers receive the knowledge about needs.

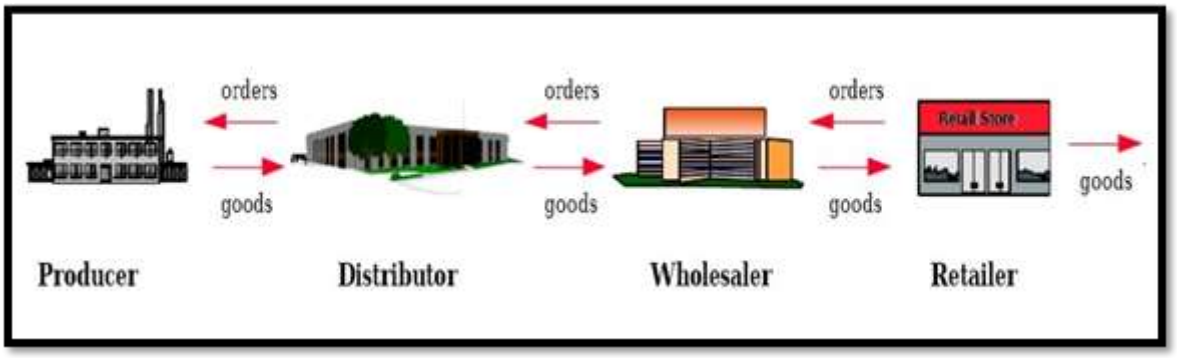

Fig. 1 - The Supply Chain Process

THEORETICAL FRAMEWORK

Effect of Strategic supply chain partnership on Logistic Performance.

A sustained partnership between a company and its suppliers enables each organisation to gain a lot of continuous benefits by leveraging their strategic and operational capabilities (Stuart, 1997). Gunasekaran, Patel, and Tirtiroglu (2001) emphasize direct, long-term interaction as part of a strategic partnership. It supports cooperative planning and problem-solving efforts. Strategic alliances are formed for the benefit of all parties involved and to maintain their commitment to crucial strategic fields such as technology, goods, and markets. By forming strategic partnerships with a small number of significant suppliers who are willing to share accountability for product success, organizations are able to operate more efficiently. As a result of early supplier participation, design options can be more cost-effective, materials and technologies can be selected more efficiently, and design evaluation can be assisted more efficiently (Yoshino & Rangan, 1995).

H1: Strategic supply chain partnership in SCM has a significant relationship with logistic performance of firms.

Effect of relationship with customers on Logistic Performance.

A variety of techniques are used to deal with customer complaints, strengthen customer relationships, and raise customer satisfaction. According to someone who considers customer relationship management to be an integral part of SCM practices, committed relationships have the greatest enduring advantage due to their inherent barriers to competition. In this era of mass customization and personalized service, corporate management is becoming increasingly concerned with managing consumer relationships. In order to implement SCM programs effectively, customers, as well as supply chain participants, must be connected. In order to stand out from competitors and keep customers loyal, an organization may need to build strong customer relationships (Magretta, 1998).

H2: Relationship with customers has a significant relationship with logistic performance of firm.

Effect of Level of Information Shared on Logistic Performance.

In order for a supply chain to be seamless, researchers advocate that each node in the supply chain has access to accurate and current marketing data (Childhouse & Towill, 2003). By combining the data that is already available with those in the supply chain, information can be leveraged as a competitive advantage. It is actually one of the five components of a strong supply chain relationship to share information. A supply chain partner's information exchange allows the entire chain to function as one cohesive unit, allowing them to better understand end-user requirements and respond more quickly to market changes. A critical competitive advantage for some is the efficient application of pertinent and timely information by all supply chain components. Streamlining and making highly visible all information flow throughout the supply chain is the key to an integrated and effective supply chain, according to the empirical results. McCGinnis & Vallopra (1998) examined factors such as accuracy, timeliness, adequacy, and credibility of the information exchanged.

H3: Level of Information Shared in SCM has significant relationship with logistic performance of firms.

Effect of Quality of Information Shared on Logistic Performance.

In order for logistic performance information to be of high quality, it must be truthful, appropriate, sufficient, and reliable (Chizzo, 1998). There has been a growing interest in SCM among academics, consultants, and managers (Tan, Lyman, & Wisner, 2002). The majority of businesses are recognizing that SCM makes them competitive in an increasingly crowded market (McGinnis & Vallopra, 1999).

H4: Quality of information shared in SCM has a significant relationship with logistic performance of firms.

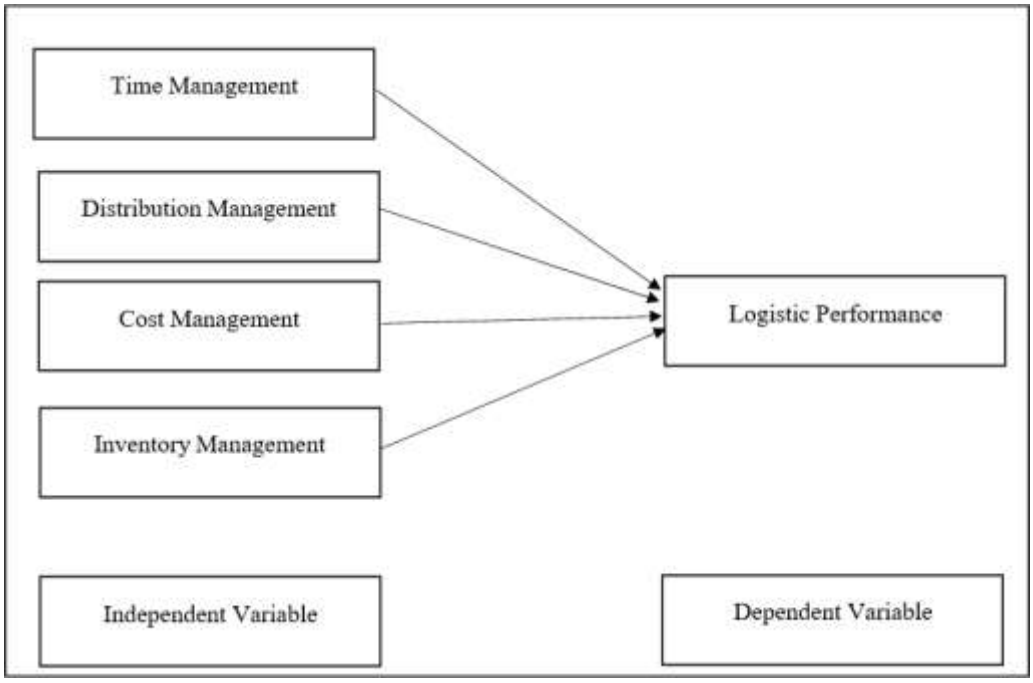

Fig.2- Theoretical Framework

METHODOLOGY

To improve the quality of the conclusions drawn from the study data, appropriate response groups must be chosen for a quantitative research approach. For the survey procedure, the study will take into account a variety of Malaysian manufacturing company personnel. Ngotwane (2018) argues that it is essential to choose the answer group while eliminating any biases linked to demographics, knowledge, and other factors. This study's respondents are people who work for supply chain management organizations. 250 respondents are chosen to participate in the quantitative survey process. In order to conduct this research, the respondents were chosen based on their relevance or significance. Due to time and financial constraints, only 250 candidates are chosen to conduct this study. In order to cope with the quantification and analysis of variables to produce results, this study employs a quantitative research methodology. Since surveys are more objective in gathering data from numerous groups relatively rapidly, this method has been used. After the respondent has completed the survey, the results were calculated using the SPSS. Building the questionnaire and obtaining reliable data from respondents is essential to answering the research questions and accomplishing the objectives.

DATA ANALYSIS

Based on the statistics in the above table, it is shown that majority participants affirm that supply chain management influence logistic performance of manufacturing firms. This is due to the large mean which is 4.58. Secondly, it is shown that most agree that Supply Chain Management can increase the speed of distribution channel. This is justified by the high mean which is 4.71. Thirdly, the large mean of 4.73 indicates that most respondents believe that both road and air transport play significant roles in distribution.

Table 1 - Regression Analysis

Regression Model	**Coefficients**		**t-value**	**Sig.**
	β	**Std. Error**		
Strategic Supply chain Partnership → Logistic Performance	.296	.059	5.017	.000
Relationship with Customer →Logistic Performance	.259	.050	5.203	.000
Level of Information Shared → Logistic Performance	.418	.051	8.127	.000
Quality of Information Shared → Logistic Performance	.345	.020	3.264	.001

The significance values for all of the independent variables are examined. As a general rule, if the significance values are lower than 0.05, it means that there is statistical significance. It is shown here that the significance values for Strategic Supply chain Partner = 0.000, with beta value of 0.296, Customer

Relationship = 0.000, with beta value of 0.259, Level of Information Sharing = 0.000 with beta value of 0.418 and Quality of Information Sharing = 0.001, beta value of 0.345. It shows that there is statistical significance between all of these variables. Thus, it can be stated that time management, distribution management, cost management and inventory management statistically significantly predict logistic performance.

DISCUSSIONS

The fact that there is a direct correlation between SCMPs, and logistic performance suggests that SCMPs have a direct impact on logistic performance. This implies that adoption and effective implementation of SCMPs within the framework of logistic performance will significantly enhance their long-term financial and market share results. This result is consistent with similar earlier research that has been published (Shin, Collier, & Wilson, 2000), which did not account for any competitive advantage or SCP are two examples of an intermediate variable. The outcomes reveal that SCP has a direct impact on how well logistic perform. SCMPs also have an indirect impact on firms' success through competitive advantage. With relation to this variable, the findings are a little ambiguous. According to analysis by regression, the variable is significantly correlated with supply chain performance contrary to literature findings. It's possible that small and medium businesses do not generally place much importance on client relationships. Furthermore, the results show that there is a positive correlation between information sharing and logistic performance ($p<0.005$). Thus, the hypothesis is correct. The more information exchanged between firms, the better the logistic performance of the firm, including sales growth, return on investment, etc. Results showed a favourable impact of information exchange quality on logistic performance ($p < 0.005$). Therefore, the hypothesis can be confirmed. As a result, any improvements in customer relationship management procedures will improve business performance. It was found that strategic supplier relationships are positively related to business success ($p < 0.005$). In other words, the hypothesis seems to be true. Strategic supplier relationships will thus boost competition if they are improved. Increasing sales or ROI are two advantages.

CONCLUSION

For firms to improve their logistics performance, they must give more attention to delivering products on time to their customers. There is a relationship between strategic supply chain partners and logistical performance. If firms want to improve their logistical performance, they must evaluate their relationship with strategic supply chain partners. Secondly, study also revealed that customer relationship is also significant contributor towards logistics performance, therefore it is important to manage the vehicles, route plans and load that have to carry by each vehicle along with their traveling hours and delivery stations. It helps firms to improve their logistics performance, since the fact links with delivery of products on time without any damage. Thirdly, firms have to manage the level of information sharing during transporting things once been manufactured, so well planned routine plan, complete and clear knowledge of delivery patterns to customers along with delivery quantity helps firms to manage their cost accurately. Lastly, production and distribution of inventory is one of critical aspect to improve the logistics performance, consist of and accurate inventory and quality of information sharing according to the requirement of customer helps to provide delivery to customer on time. Hence these factors have significant importance for logistics performance.

REFERENCES

Attia, A., &Eldin, I. E. (2018). Organizational learning, knowledge management capability and supply chain management practices in the Saudi food industry. Journal of Knowledge Management, 22(6), 1217-1242.

Balsmeier, P. W., & Voisin, W. J. (1996). Supply chain management: A time-based strategy. *Industrial Management*, *38*(5).

Basias, N., & Pollalis, Y. (2018). Quantitative and qualitative research in business & technology: Justifying a suitable research methodology. Review of Integrative Business and Economics Research, 7, 91-105.

Bouchery, Y., Corbett, C. J., Fransoo, J. C., & Tan, T. (Eds.). (2016). Sustainable supply chains: A research-based textbook on operations and strategy (Vol. 4). Springer.

Carter, S. M., & Little, M. (2007). Justifying Knowledge, Justifying Method, Taking Action: Epistemologies, Methodologies, and Methods in Qualitative Research. Qualitative Health Research, 17(10), 1316–1328. https://doi.org/10.1177/1049732307306927

Chain Integration. Omega, 31, 17-27. https://doi.org/10.1016/S0305-0483(02)00062-2

Childhouse, P., & Towill, D. R. (2003). Simplified Material Flow Holds the Key to Supply

Chizzo, S. A. (1998). Supply Chain Strategies: Solutions for the Customer-Driven Enterprise. Software Magazine, Supply Chain Management Directions Supplement, 4-9 January, 1998.

Clark, T. H., & Lee, H. G. (2000). Performance, Interdependence and Coordination in Business-to-Business Electronic Commerce and Supply Chain Management. Information Technology and Management, 1, 85-105.

Cousins, P. D., Lawson, B., Petersen, K. J., & Fugate, B. (2019). Investigating green supply chain management practices and performance. International Journal of Operations & Production Management, 1, 1-36.

Donlon, J. P. (1996). Maximizing Value in the Supply Chain. Chief Executive, 117, 54-63.

Dźwigoł, H., & Dźwigoł-Barosz, M. (2018). Scientific research methodology in management sciences. Financial and credit activity: problems of theory and practice, 2(25), 424- 437.

Fahimnia, B., Bell GH, M., Hensher A, D., & Sarkis, J. (2015). Green Logistics & Transportation: A Sustainable Supply Chain Perspective.

Flandersinvestmentandtrade.com (2021). F&B Report Malaysia 2020. Retrieved from: https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/F B%20Industry%20Report.pdf [Retrieved on: 26rd February, 2021]

Gunasekaran, A., Patel, C., & Tirtiroglu, E. (2001). Performance Measures and Metrics in a Supply Chain Environment. International Journal of Operations and Production Management, 21, 71-87.

Li, S., Rao, S., Ragu-Nathan, T. S., & Ragu-Nathan, B. (2002). An Empirical Investigation of Supply Chain Management Practices. In Proceedings of the 33rd Annual Meeting of the Decision Science Institute.

Magretta, J. (1998). The Power of Virtual Integration: An Interview with Dell Computers' Michael Dell. Harvard Business Review, 76, 72-84.

Mahajan, H. K. (2018). Qualitative research methodology in social sciences and related subjects. Journal of Economic Development, Environment and People, 7(1), 23- 48.

McGinnis, M. A., & Vallopra, R. M. (1999). Purchasing and Supplier Involvement in Process Improvement: A Source of Competitive Advantage. Journal of Supply Chain Management, 35, 42-50. https://doi.org/10.1111/j.1745-493X.1999.tb00243.x

Ngotwane, N. (2018). Ethical Dilemmas in Qualitative Research Methodology: Researcher's Reflections. International Journal of Educational Methodology, 4(1), 19-28.

Ørngreen, R., & Levinsen, K. (2017). Workshops as a Research Methodology. Electronic Journal of E-learning, 15(1), 70-81.

Shin, H., Collier, D. A., & Wilson, D. D. (2000). Supply Management Orientation and Supplier/Buyer Performance. Journal of Operations Management, 18, 317-333.

Stern, L., & Reve, T. (1980). Distribution Channels as Political Economies: A Framework for Competitive Analysis. Journal of Marketing, 44, 52-64.

Stuart, F. I. (1997). Supply-Chain Strategy: Organizational Influence through Supplier Alliances. British Academy of Management, 8, 223-236.

Suryanto, T., Haseeb, M., & Hartani, N. H. (2018). The correlates of developing green supply chain management practices: Firms level analysis in Malaysia. International Journal of Supply Chain Management, 7(5), 316.

Tan, K. C., Lyman, S. B., & Wisner, J. D. (2002). Supply Chain Management: A Strategic Perspective. International Journal of Operations and Production Management, 22, 614-631. https://doi.org/10.1108/01443570210427659

Wong, C. Y., Arlbjorn, J. S., & Johansen, J. (2005). Supply Chain Management Practices in Toy Supply Chain. Supply Chain Management: An International Journal, 10, 367-378. https://doi.org/10.1108/13598540510624197

Yoshino, M., & Rangan, S. (1995). Strategic Alliances: An Entrepreneurial Approach to Globalization. Harvard Business School Press