

Inventory Management and Organizational Performance: Evidence from Ethiopian Public Sector Organizations

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ABSTRACT

Every company needs to manage its inventories efficiently to accomplish its objectives. This study examined that relationship in order to determine how inventory management affects company performance in the Ethiopian public sector. The cornerstone of this study is the descriptive and explanatory research designs. Both primary and secondary sources were used to collect the data. The surveys were distributed to 186 randomly selected respondents, 170 of whom completed and returned them, for a response rate of 91%. The data was analysed using SPSS version 20, and both descriptive and inferential statistics, such as correlation and multiple regressions, were given. The research found problems with bureaucratic record-keeping, documentation, and purchasing procedures as well as a dearth of information communication technology for inventory management. The correlation finding also shows a strong and positive relationship between inventory management and organisational success. According to the findings of multiple regression analysis, the effectiveness of an organisation is significantly influenced by a number of variables, including inventory utilisation, cumbersome procurement procedures, documentation and record keeping, staff knowledge and skills, inventory accuracy, and information and communication technology. The researcher also counsels the bureau's management to support efficient organisational inventory management by ensuring quick bureaucratic procurement procedures, good documentation and record keeping, use of adequate information communication technology, development of staff skills, and training of employees.

1. INTRODUCTION

The term "inventory" refers to a stock or warehouse of items. These products are kept on hand at or close to a business's site so that it can

satisfy demand and achieve its goals. Davis *et al.* (2003) described inventory as “the stock of every item or resource used in an organization”. In a larger sense, inventory can refer to both finished goods and work-in-progress as well as inputs like money, time, labour, equipment, and raw materials. It can also refer to intermediate stages of the production process, like partially finished goods (Gomero *et al.*, 2020; 2021).

The supplies on hand are frequently referred to as the “inventory”. It is often referred to as an organization’s idle resource. Stockpiles of goods for sale, products that are being produced, or raw resources that have not yet been used make up inventories. According to Hedrick *et al.* (2008), inventories are all the goods and supplies that companies maintain on hand to meet prospective demand. In order to further this definition, Vilorio and Robayo (2016) categorise them as products in process, finished goods, raw materials, and final products that are physically accessible to the organisation and are used by the business in the hopes of concluding or starting the production process or to market the finished products. Juan and Martinez (2002) examined 8872 small and medium-sized firms in Spain.

Without using inventory, often known as “stock,” firms cannot manage their commodities effectively. The discussion of managing materials continues to centre on inventory and its management. Vrat (2014) defines inventory as the stock of products that are physically stored to satisfy anticipated demand. However, Vrat (2014) sees inventory as resources that, despite having economic worth for use, are not being used. Furthermore, Vrat (2014) states that it makes more sense to reserve some physical stock that can meet anticipated requests than it does to postpone operations due to a lack of necessary resources, which is why most firms need inventory. According to Kontus (2014), inventory management is a crucial organisational function that aids in the creation of regulations for the best possible investment in inventory. Therefore, maximising liquidity and risk might result from optimal inventory management. According to Chambers and Lacey (2011), inventory management aims to establish a balance between the costs associated with maintaining inventory and the advantages that come with it. Therefore, inventory management is a method intended to maximise the net benefits of the inventory while also lowering the costs associated with it (Chambers & Lacey, 2011).

One of the topics of management-related research that receives the most discussion is inventory management. It should be mentioned that companies should display their goods for sale and modify their seasonal

marketing to account for costs and manufacturing schedules. Another critical component of inventory management is taking into account how the goods are stored and transported. If this is not done properly, the inventory items will be damaged, increasing the company's costs. It should be mentioned that companies should display their goods for sale and modify their seasonal marketing to account for costs and manufacturing schedules. Another critical component of inventory management is taking into account how the goods are stored and transported. If this is not done properly, the inventory items will be damaged, increasing the company's costs. A stronger competitive edge can be gained by managing inventories effectively and efficiently to cut costs, improve operations, and ensure firm profitability (Bhat *et al.*, 2020). The goal of inventory management in department stores is to guarantee the supply of commodities required for business operations at the best possible price, in the appropriate amount, and in the desired quality. It results in high stock prices that are above the company's needs before the proper time. When it happens too late, there isn't enough content to satisfy the demands. Akelo (2016) put a lot of effort into determining how inventory management techniques affect non-governmental organizations' performance. The research study targeted ten non-governmental organisations in Nairobi County, with a total sample size of 70 respondents. The study used descriptive statistics to analyse the data, and the study found that an increase of one unit in ABC Analysis would result in a factor increase of 0.683, while an increase of one unit in Economic Order Quantity would result in a factor increase of 0.702 in the operational performance of non-governmental organisations.

On the other hand, a unit increase in demand-focused inventory leads to an increase in the operational performance of non-governmental organisations by a factor of 0.699. Raymond and Omulo (2015) examined the role of inventory management practises on performance by adopting the descriptive research design and found that manufacturing firms used various inventory management techniques such as the action level methods, just-in-time, periodic review technique, material requirement planning 1, and economic order quantity. The study found that, despite the fact that material requirement planning was the most effective in contributing to the performance of the production department, the majority of manufacturing organisations used action-level methods. Due to this fact, the focus of this study was to examine the impact of inventory management on organisational performance in selected public sector bureaus in Benishangul Gumuz regional state of Ethiopia.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Impact of Capacity Utilization of Inventory Management on Organizational Performance in Public Sectors

In their study, Nyaoga, Wang, and Magutu (2015) sought to understand how Kenyan tea processing companies' supply chains performed in relation to their capacity utilisation. Data from both primary and secondary sources was used in the study. This study used a cross-sectional research approach and included respondents from 85 Kenyan tea processing companies. The study added to the field of study by offering real data on supply chain efficiency and capacity utilisation from the tea processing sector. The study's findings show a significant correlation between value chain performance and capacity utilisation ($r = 0.639$, $p < 0.01$).

Hausman (2004) asserts that businesses now more than ever understand how capacity use and management contribute to the creation and preservation of competitive advantage. The author of this report adds that the fact that many businesses lack the resources to monitor the level of capacity utilisation promptly is one of the major factors contributing to a shift or breakdown in the fulfilment of production orders.

H01: Capacity utilisation has no significant effect on organisational performance in the public sector.

2.2. The Impact of Inventory Accuracy of Inventory Management on Organizational Performance in Public Sectors

Oballah, Waiganjo, and Wachiuri's (2015) study examines how inventory management practises affect businesses' performance in Kenya's public health industry. The study found that shrinkage of inventory has a negative influence on a firm's performance, whereas inventory accuracy has a positive impact on organisational success (Mbah *et al.*, 2019). Pitts and Lie (2006) examined the effects of inactivity on the volume of inventory produced by information insecurity in a survey carried out at the US Navy base in Rhode Island, and can currently be considered pioneers in the research of accuracy (Pitts & Lie, 2006).

H02: Inventory accuracy has no significant effect on organisational performance in the public sector.

2.3. The Impact of Information Technology of Inventory Management on Organizational Performance in Public Sectors

Nel and Badenhorst-Weiss (2011) study findings report that organisations using information technology inventory systems should accomplish their

supply chain cycle in order to effectively attain firms' performance. Non-probability sampling was employed in the study to gather data from 13 companies, and the Sunday Times top brand polls were used to make the decision (2008 & 2009). According to the study's conclusions, businesses must manage their supply chain drivers in accordance with the supply chain strategy they have chosen. The authors of the study claim that as it enhances operational flows, information technology management approaches and concepts can be successfully utilised in the retail industry.

H03: Information technology has no significant effect on organisational performance in the public sector.

2.4. The Impact of Bureaucratic Procurement Procedure of Inventory Management on Organizational Performance in Public Sectors

Procurement includes the whole procedure of acquiring property and/or services. It starts when an agency has recognised a need and decided on its procurement requirements. Procurement stays through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where pertinent, the ongoing management of a contract and contemplation of options associated with the contract.

Kitheka (2010) focused on evaluating the extent of inventory management automation and determining the impact of inventory management automation with respect to the performance of supermarkets in Western and Nyanza provinces, Kenya. Based on a survey design in which the researcher targeted all supermarkets (eleven operational supermarkets) in Kakamega, Bungoma, and Kisumu, Kitheka (2010) recognised that inventory management automation influences the performance of supermarkets (Panigrahi *et al.*, 2021). However, instead of concentrating on consumer goods manufacturing firms in Kenya, Kitheka (2010) focused on consumer services firms in Kenya. Daniel Baye (2017) studied the effects of inventory management practises on organizations' operational performance: the case of Ethiopian Airlines. He used a causal and descriptive research design and discovered that the use of information technology has a greater impact on Ethiopian Airlines' operational performance compared to other inventory management practises studied. Effective inventory management models, inventory record accuracy, stock out management, and the use of information technology are statistically significant with a P-value >0.05.

H04: Bureaucratic procurement procedures have no significant effect on organisational performance in public sectors.

2.5. The Impact of Knowledge and Skill of Staff of Inventory Management on Organizational Performance in Public Sectors

Susan and Michael (2000) assert that the distribution of inventory goods to all storage or use places is the responsibility of individuals working in warehouses (i.e., stores). They are also in charge of all storekeeping duties, including material receiving, put-away, picking, and shipping, as well as the material's physical security and safety at all store locations.

keeping accurate inventory records; controlling the physical arrangement of warehouses, including bin placement assignments; and figuring out how stuff is physically moved and distributed around the company; Other responsibilities include receiving and storing materials; releasing stock materials in response to client requests for materials; doing cycle counts, yearly physical inventories, or both; and resolving discrepancies between cycle counts and annual physical inventories. Training, according to Lyson and Gillingham (2003) and Suryawali and Osman (2017), is a thoughtful process that alters attitudes, knowledge, and behaviour based on learning experiences in order to achieve effective performance in a single activity or a variety of related activities. Its goals at work are to help people grow as people and to meet the organization's present and long-term needs for human resources. According to the author, employees may receive internal on-the-job training or external training at a college that offers supply chain management courses.

H05: Staff knowledge and skills have no significant impact on organisational performance in the public sector.

2.6. The Impact of Documentation Practice/store Record of Inventory Management on Organizational Performance in Public Sectors

Taye (2022) states that the correctness of inventory records is needed to deliver satisfactory customer service, fix replenishment of individual items, ensure that material availability meets repair or project demand, analyse inventory levels, and dispose of excess inventory. According to Murthy and Sukumar (2017), daily details of receipts, issues, and stock balances for each individual item kept in the storehouse should be maintained in stock records. The authors conclude that transactions must be posted quickly and accurately to the records if they are to ascertain the accurate, up-to-date information that the stock controller needs. The goal of keeping stock records will not be achieved if transactions are left unfinished for a lengthy period of time, because stock records will show fictitious balances, making the records unreliable. Therefore, one of the essential responsibilities of warehouse staff is to keep accurate and current stock

records. To enable an operative store administration, according to Jones (2018), receipt of items must be tightly regulated. With the exception of nurses who had been managing inventory and service for less than a year, Gebre (2019) observed that weak automated recording systems and low-volume health facilities had a negative link with pharmaceutical inventory control system performance. Additionally, there was a strong correlation between the medicine shortage and a lack of material from the supplies.

H06: Documentation practice/store record has no significant effect on organisational performance in public sectors.

A Conceptual Framework

The conceptual framework of this study was developed based on the theoretical model of utilisation and discussed in the previous section. As discussed below, the two categories of variables include explanatory and dependent variables. The framework is adapted from previous studies and serves as the foundation of this study. The framework is formulated to explain the relationship of the dependent variable with several predictors. The dependent variable is organisational performance in selected public sector bureaus of Benishangul Gumuz regional state, Ethiopia, and the independent variables are capacity utilisation, inventory accuracy, information technology, bureaucratic procurement procedures, knowledge and skills of staff, and documentation/stored records. The aforementioned independent variables are assumed to have an impact on organisational performance in the area. Figure 1 depicts the conceptual framework for this study.

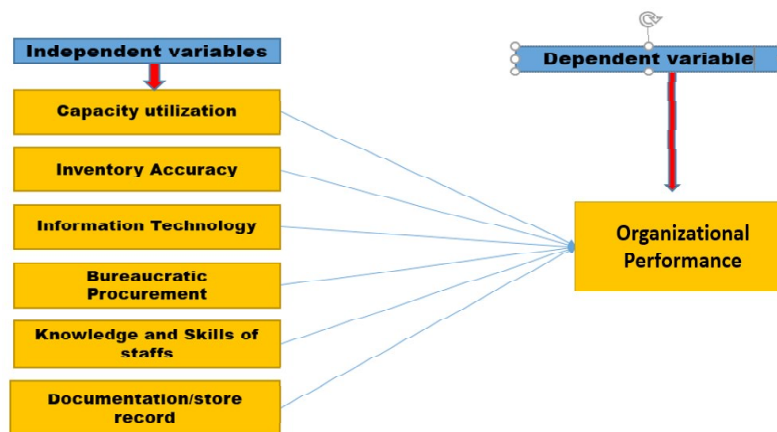


Figure 1: Model of the study

Source: Authors' compilation

3. RESEARCH METHODOLOGY

This study used an explanatory and descriptive research design. Thus, an explanatory research design was attempted to elucidate and predict the relationship between independent and dependent variables, and also the study used a descriptive research design that describes the inventory management practises that lead to organisational performance. Furthermore, this study is based on both quantitative and qualitative (mixed) research approaches. Creswell (2005) stated that in quantitative research, the researcher considers what to study, asks specific narrow questions, collects numeric data from participants and analyses these numbers using statistics, and carries out the inquiry in an impartial manner. On the other hand, the qualitative approach seeks to gather analysis rather than data in words and concepts through quantification (Punch, 2005).

3.1. Procedure for Sampling

The target population of this study was 24 public-sector bureaus. The employees of 14 public sector bureaus in Benishangul Gumuz regional state were purposefully selected because these sectors hold a high inventory of the region. Besides, the reason for the selection of these regional sector bureaus is that they control and manage a higher volume of inventories than other zonal and Woredas offices. It includes store clerks, purchasers, finance officers, and material or inventory officers and managers, with a total population of 348 (BOFED Report, 2019).

Table 1
List of Target population of the study

#	Name of the target population	Store & Property Admin.	Finance Departments	Procurement Departments	Total Respondents
1	Regional Administration office	8	11	8	27
2	Regional council	9	8	7	24
3	Auditor Bureau	12	7	8	27
4	Women & Children Bureau	9	6	8	23
5	Health bureau	7	8	7	22
6	Police Commission	9	7	9	25
7	Education bureau	6	7	10	23
8	Administration & Peace coordination	7	8	9	24
9	Bureau of finance	18	12	9	39
10	Revenue Bureau	5	7	8	20
11	Communication bureau	12	8	9	29
12	Bureau of Agriculture & Natural resource	7	6	8	21
13	Bureau of Agriculture & Rural Development	7	8	9	24
14	Bureau of Cooperative Coordination	8	7	5	20
Total respondents					348

Source: BOFED Report, 2019

In order to fix the sample for the study, the following formula given by Yemane (1976) for sample size determination was used. This method is significant when there is a finite and homogenous population. Hence, the following formula was used for sample size determination:

$$n = \frac{N}{1 + N(e)^2} = \frac{348}{1 + 348(0.05)^2} = 186$$

Where, n- Sample size required

N-number of people in the population

e- Estimated variance in population, as a decimal 0.5.

Table 2
Sample size for the study

#	Name of the target population	Total Respondents	Proportion	Sample
1	Regional Administration office	27	0.53	14
2	Regional council	24	0.53	13
3	Auditor Bureau	27	0.53	14
4	Women & Children Bureau	23	0.53	12
5	Health bureau	22	0.53	12
6	Police Commission	25	0.53	13
7	Education bureau	23	0.53	12
8	Administration & Peace coordination	24	0.53	13
9	Bureau of finance	39	0.53	21
10	Revenue Bureau	20	0.53	11
11	Communication bureau	29	0.53	16
12	Bureau of Agriculture & Natural resource	21	0.53	11
13	Bureau of Agriculture & Rural Development	24	0.53	13
14	Bureau of Cooperative Coordination	20	0.53	11
		348		186

Table 2 shows that 186 employees received questionnaires using a simple random probability sampling technique. On the basis of earlier investigations, the questionnaire was created. With a focus on the questionnaire created regarding the variables under consideration, the research instrument utilised for data collection was done in accordance with the research questions and objectives under inquiry, the research design, and the information to be acquired. Given that the participants were educated and that the design and layout of the questionnaire were important in any study in which respondents may fill out questionnaires, the questionnaire's design and layout were kept fairly straightforward and

it was written in English. This improved the respondents' capacity to contribute significantly to the survey.

The Statistical Package for Social Science was used to code, enter, and analyse the data during the data analysis (SPSS Version 20). Data was mainly analysed in terms of inferential statistics. Organizational performance consisting of six items adopted from King *et al.* (2010): a) is more competitive; b) has more customers; c) is growing faster; d) is more profitable; e) is more innovative; f) has more employees; was regressed against the six independent variables (inventory utilization, bureaucratic procurement procedure, documentation and record keeping, staff skills and knowledge, inventory accuracy, and information communication technology) using a linear regression model.

4. DATA ANALYSIS AND INTERPRETATION

A response rate of 91% was achieved after the questionnaires were sent to 186 randomly chosen respondents, 170 of whom completed and returned them. Personal administration, follow-up phone calls after questionnaires were sent for data validation when they would be ready for collection, and personal collection wherever practicable were all part of the data collection

Table 3
Correlation Analysis Result

Variables		Organizational Performance
Capacity utilization	Pearson Correlation	.456
	Sig. (2-tailed)	0.000
	N	170
Information technology	Pearson Correlation	.520
	Sig. (2-tailed)	0.000
	N	170
Inventory accuracy	Pearson Correlation	.477
	Sig. (2-tailed)	0.000
	N	170
Bureaucratic Procurement Procedure	Pearson Correlation	.369**
	Sig. (2-tailed)	0.000
	N	170
Staff skill & Knowledge	Pearson Correlation	.476**
	Sig. (2-tailed)	0.000
	N	170
Documentation & Record keeping	Pearson Correlation	.344**
	Sig. (2-tailed)	0.000
	N	170

methods. It was determined that the response rate was satisfactory enough to allow for data analysis. The reason for the 16 incomplete surveys (or 9%) is that the responder took too long to complete them, making it impossible for them to be returned. As a result, data was analysed using the information gathered from 170 (91%) respondents.

Table 3 shows that there are positive and significant relationships between capacity utilisation and organisational performance in public sectors ($r=.456$, $p < 0.01$); inventory accuracy and organisational performance ($r=.477$, $p < 0.01$); bureaucratic procurement procedures and organisational performance ($r=0.369$, $p < 0.01$); staff skill and knowledge and organisational performance ($r = 0.476$, $p < 0.01$); documentation and record keeping and organisational performance ($r = 0.344$, $p<0.01$); and organisational performance ($r = 0.520$, $p<0.01$). This implies that all the variables have a positive and significant relationship with organisational performance. These findings by and large support previous studies findings (e.g., Kumara *et al.*, 2017; Masudin *et.al.*, 2018).

4.1. Multiple Regression Analysis

Multiple regression analysis was used to test and analyse the degree of linear relationship between the variables in the study. This provided an indication of the strength and direction of association between the variables (independent) on the performance of public servant organizations.

Table 4
Linear Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F	df1	df2	
1	.564 ^a	.648	.659	.30837	.318	16.992	4	146	.000

As indicated in the table above, the adjusted R square of 0.659 shows that the proportion of the variation in organisational performance is explained by the independent variables (capacity utilization, bureaucratic procurement procedure, staff skill and knowledge, inventory accuracy, documentation and record keeping, and information technology). However, 34.1% of the variance is explained by the other variables not included in this study.

The model equation would be ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \epsilon$) becomes: $Y = 0.312 + 0.126X_1 + 0.136X_2 + 0.487X_3 + 0.113X_4 + 312X_5 + 229X_6 + \epsilon$.

Table 5
Coefficient of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.312	.490		.637	.525
	Inventory utilization	.126	.103	.106	1.244	.041
	Bureaucratic Procurement Procedure	.136	.083	.121	3.650	.021
	Documentation & Record keeping	.487	.104	.355	4.678	.000
	Staff Skill and knowledge	.113	.069	.124	4.634	.004
	Inventory accuracy	.312	.331	.341	4.137	.031
	Information Technology	.229	.080	.207	3.869	.005

Dependent Variable: organizational performance

Source: SPSS output, 2020

The Beta (B) coefficient values shown in Table 5 indicated that inventory utilization has a beta (B) value of .126 with p-value of .041, bureaucratic procurement procedure has a beta (B) value of 0.136 with p value = 0.021 and documentation and record keeping of 0.487 with p value of 0.000, staff skills and knowledge of employees has a B value of .113 with p value of 0.004, inventory accuracy has a beta value of .312 with p-value = .031, and information technology B = .229 with p- value of 0.005. Therefore, all the independent variables have positive and significant effect on organisational performance. Furthermore, Multiple Regression results revealed that, taking all factors into account (inventory utilization, bureaucratic procurement procedures, documentation, skills of staff, inventory accuracy, and information technology), constant at 0.525, organisational performance will be 0.312. The findings also showed that, taking two of the independent variables at zero, a unit increase in documentation and record keeping leads to a 0.487 increase in the effect of organisational performance; a unit increase in information technology leads to a 0.229 increase in organisational performance in public servant governmental organizations; a unit increase in inventory utilisation leads to a 0.126 increase in organisational performance; a unit increase in bureaucratic procurement procedures leads to a 0.136 increase in organisational performance in public servant governmental organizations; and a unit increase in staff skills leads to a 0.113 increase in organisational performance in public servant governmental organizations. Among the dependent variables, documentation and record keeping have the highest contribution to the

model, followed by information technology, bureaucratic procurement procedures, and staff skills and knowledge of employees. These findings are consistent with the studies of Bosek *et al.* (2016) and Godana and Ngugi (2014), who also reported that inventory management systems have a significant effect on organisational performance.

5. DISCUSSION AND CONCLUSIONS

This study investigated the effect of inventory management on organisational performance in public sector bureaus in BGRS. The descriptive results show that there are long bureaucratic procurement processes being experienced in the public sector facilities as a result of intra-departmental communication and planning, decision-making processes, and having a very mind-numbing procurement procedure. According to the study's correlation findings, all of the variables had positive and substantial associations with organisational success. Additionally, multiple regression analysis demonstrated the strength and direction of association between the independent variables and the performance of the public servant organisations with an adjusted R square of 0.659, indicating that the independent variables account for a proportion of the variation in performance (capacity utilization, bureaucratic procurement procedure, staff skill and knowledge, inventory accuracy, documentation and record keeping, and information technology).

The findings also showed that a unit increase in documentation/store records will lead to a 0.487 increase in the effect of inventory management on organisational performance; information technology growth will boost organisational performance by 0.229 units. Similarly, increasing inventory use by one unit will result in a 0.126 improvement in organisational performance. One unit increase in bureaucratic procurement procedures will result in a 0.136 rise in organisational performance, while a unit increase in staff abilities will result in a 0.113 increase in organisational performance in public enterprises. The beta values of all the independent variables are positive and significant with a p-value of less than the significance level (.05), indicating that the null hypotheses are rejected while alternative hypotheses are supported, showing that the listed explanatory variables determine organisational performance in selected public sectors of Benishangul Gumzu regional state of Ethiopia.

The present study has explored the relationship of organisational performance with capacity utilization, inventory accuracy, bureaucratic procurement procedures, staff skill and knowledge, documentation, and

record keeping. These variables have not been previously studied in connection with organisational performance.

5.1. Implications for Policy Making

A few suggestions were sent to the bureau managers in Benishangul Gumuz Regional State based on the findings and conclusions presented above. One of the key elements impacting organisational success was thought to be the bureaucratic procurement process. The lengthy bureaucratic procurement process was deemed to make the BGRS bureau personnel less comfortable. The computerization of the system, which will gather real-time procurement information and increase transparency in the procurement of products and services for the intended purpose, could be one option to address this. Additionally, by implementing a cutting-edge system, excessively strict laws and norms that slow down the procurement process can be avoided or eliminated.

Employee satisfaction in BGRS bureaus was found to be lower than that of other bureaus, despite the fact that documentation and record keeping were thought to be two of the most important variables impacting organisational performance. Utilizing fully automated documentation and stock control systems is one way to solve this issue. It's crucial to adopt a computerised stock record system for posting inventory control data and to strictly adhere to stock record activity throughout reception, issuing, regulating, and recording in order to guarantee accurate and timely inventory management information.

Furthermore, while information technology was thought to be one of the most important factors influencing organisational success, BGRS bureau personnel had negative attitudes toward ICT. Using cutting-edge information and communication technology to facilitate effective communication between staff members and managers regarding inventory management in the bureaus is one approach to solving this issue. The key management bodies in the bureaus should receive training on inventory-related software in order to improve the skills of professionals working in inventory management. This may be done by providing them with opportunities for further education and training. In general, bureau managers should prioritise and pay attention to improving their companies' inventory management in order to boost organisational performance in BGRS bureaus.

5.2. Limitations of the Study and Direction for Future Research

This study has several limitations. The instrument as a questionnaire for the measurement constructs is not standardized. However, they are

obtained through an intensive literature review and statistically validated. Yet, it is recommended for future research to revalidate the measurement scales used in this research with improved representative observations.

Another limitation of this study is the measurement of organisational performance constructs, which is a latent variable. The study had to ask respondents to evaluate their organisational performance subjectively. The subjective evaluation may increase measurement error due to relatively low reliability. It is recommended for further research to consider it by using objective measures by collecting and analysing secondary data.

It is important that managers and their assessors benchmark inventory management against rivals at a similar organisational stage. For researchers in inventory management, it is believed that the significant role of organisational managers in explaining other related issues still needs to be exploited and presents a promising opportunity for further research.

The study concluded that better anticipating future developments in Ethiopia's BGRS bureau will improve their performance. The study further recommended that there should be unified data, information sharing, and channel relationships, and the use of inventory management systems as a competitive tool in the BGRS bureau for realising their corporate competitive strategy.

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CONFLICT OF INTEREST

There is no conflict of interest involved in the publication of this paper.

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