

**SUPPLY CHAIN MANAGEMENT PRACTICES AND SUPPLY  
CHAIN MANAGEMENT PERFORMANCE EFFECTIVENESS OF  
MANUFACTURING FIRMS IN TRINCOMALEE DISTRICT**



**BY**

**NAGAHAPILLE GEDARA SHALIKA JAYAMANNA**

**REG NO: EU/IS/2017/MS/093**

**INDEX NO: MS2053**



A Project Report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration Honors

**DEPARTMENT OF MANAGEMENT  
FACULTY OF COMMERCE AND MANAGEMENT  
EASTERN UNIVERSITY, SRI LANKA**

**2023**

## ABSTRACT

Supply chain effectiveness helps to provide many direct and indirect benefits for suppliers and manufacturing companies, where it represents the ability to invent and produce solutions that add more value to (customers) than existing offers, and it also adds great importance for both manufacturing companies, supplier network, and other parties. By utilizing resource-based, consider theory. The purpose of this research is to determine the effect of various dimensions of Supply chain management practices on Supply chain performance effectiveness selected four manufacturing firms. Thus, the study objectives are to identify the level of SCM practices and its dimensions, supply chain performance effectiveness, to identify relationships among SCM practices and Supply chain performance effectiveness, and to identify impact of SCM practices on Supply chain performance effectiveness among the executive level employees of four selected manufacturing companies. The study accompanies with quantitative research approach. The study used primary data. A structured questionnaire has used as the method of data collection and the questionnaire included 25 questions with five-point Likert scale ranging from strongly disagree to strongly agree. In this study, the researcher attempts to highlight the firm's Supply chain performance effectiveness with respect to other variables, by using the information found in the 208 executive level employees from four selected manufacturing firms. A quota sampling technique has used to make method of sampling framework. Collected data were analyzed using SPSS 22.0 analysis. The data were measured using descriptive statistics, correlation and regression analysis. In this study, the statistical tools that used to analyze the level of variables are mean and SD values, while relationship were measured by person coefficients and simple and multiple regressions for measure impact of variable. Hens, this study helps managers to understand SCM practices and supply chain performance effectiveness in order to face and control the high competitiveness in their organization in effective, efficient and practical manner.

**Key words: SCM Practices, Supply chain performance effectiveness**

## TABLE OF CONTENTS

<b>ACKNOWLEDGEMENT.....</b>	<b>i</b>
<b>ABSTRACT.....</b>	<b>ii</b>
<b>LIST OF TABLE .....</b>	<b>viii</b>
<b>LIST OF FIGURE .....</b>	<b>xi</b>
<b>ABBREVIATIONS.....</b>	<b>xii</b>
<b>CHAPTER-1.....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.2 Problem statement.....	3
1.3 Research Question.....	4
1.4 Research objective.....	4
1.5 Significant of the study .....	5
1.6 Scope of the study .....	5
1.7 Organization of chapter .....	5
1.8 Chapter summary .....	6
<b>CHAPTER-2.....</b>	<b>7</b>
<b>LITERATURE REVIEW .....</b>	<b>7</b>
2.1. Introduction .....	7
2.2. Supply chain performance effectiveness.....	7
2.3. Supply chain management practices .....	8
2.3.1. Customer management .....	10
2.3.2. Suppliers Management .....	10
2.3.3. Supply Chain Integration.....	11
2.3.4. Information Sharing.....	12
2.3.5. Speed of Responsiveness.....	13
2.4. Hypothesis Testing of the Study .....	13
2.5. Supporting theories for the study .....	14
2.5.1. Resource-Based View (RBV).....	14
2.5.2. Stakeholder Theory (ST) .....	14
2.5.3. Institutional Theory (IT).....	15

2.5.4. Transaction Cost Theory (TCT) .....	15
2.6 Chapter summary .....	16
<b>CHAPTER-3.....</b>	<b>17</b>
<b>CONCEPTUALIZATION AND OPERATIONALIZATION .....</b>	<b>17</b>
3.1 Introduction .....	17
3.2 Conceptual Framework .....	17
3.3 Variables Relevant to Conceptual Model.....	17
3.3.1. Supply chain performance effectiveness .....	18
3.3.2. Integration.....	18
3.3.3. Information exchange .....	18
3.3.4. Customer management .....	19
3.3.5. Supplier management .....	19
3.3.6. Responsiveness.....	19
3.4 Theoretical Foundation Relevant to the Conceptual Model.....	20
3.5 Operationalization .....	20
3.5.1 Operationalization for dependent Variable.....	20
3.5.2 Operationalization for dependent Variable.....	21
3.6 Summary of the chapter .....	22
<b>CHAPTER-4.....</b>	<b>23</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>23</b>
4.1 Introduction .....	23
4.2 Research Philosophy .....	24
4.3 Research Approach .....	24
4.4 Research Strategy.....	25
4.5. Methodological Choice .....	26
4.6 Time Horizon .....	27
4.7 Research Site / Area Selection .....	27
4.8 Population of the Study .....	27
4.9 Sampling Technique / Method .....	29
4.10 Sample Size.....	29
4.12 Research Instrument.....	30
4.13 Sources of Measurement .....	31

4.13.1 Method of Measurement on Personal Information.....	32
4.13.2 Method of Measurement on Research Information.....	33
4.14. Pilot study.....	33
4.15 Reliability of Instruments.....	34
4.16 Unit of Data Analysis.....	35
4.17 Methods of Data Analysis.....	36
4.17.1 Methods of data analysis for the first Objective.....	36
4.17.2 Methods of data analysis for the second objective.....	36
4.17.3 Methods of data analysis for the third objective.....	37
4.18 Methods of Data Evaluation.....	37
4.18.1 Univariate Analysis.....	38
4.18.2 Correlation Analysis.....	38
4.18.3 Regression Analysis.....	39
4.18.4. Decision criteria for the results of Regression.....	40
4.18.5 Testing Hypotheses.....	40
4.19 Data Presentation.....	41
4.19.1 Data Presentation for Personal Information.....	41
4.19.2 Data Presentation for Research Information.....	42
4.20. Ethical Consideration.....	42
4.21 Chapter Summary.....	43
<b>CHAPTER-5.....</b>	<b>44</b>
<b>DATA PRESENTATION AND ANALYSIS.....</b>	<b>44</b>
5.1 Introduction.....	44
5.2 Reliability Test.....	44
5.2.1 Analysis of Reliability for the Instruments.....	44
5.3 Data Presentation and Analysis of Demographic Information.....	45
5.3.1 Frequency Distribution of Name of the Firm.....	46
5.3.2 Frequency Distribution of Gender.....	46
5.3.4 Frequency Distribution of Age group.....	47
5.3.5 Frequency Distribution of Education level.....	47
5.3.6 Frequency Distribution of work Experience.....	48
5.4 Data Presentation and Analysis of Research Objectives.....	49

5.4.1 Descriptive Statistics .....	49
5.4.2 Correlation between Variables .....	50
5.4.3 Multivariate Analysis .....	55
5.4.4 Testing Hypothesis .....	69
5.5 Chapter Summary.....	72
<b>CHAPTER – 6.....</b>	<b>73</b>
<b>DISCUSSION .....</b>	<b>73</b>
6.1 Introduction .....	73
6.2 Discussion of Demographic Information .....	73
6.2.1 Firm’s name .....	73
6.2.2 Gender .....	73
6.2.3 Age group .....	74
6.2.4. Education level .....	74
6.2.5. Work Experience .....	74
6.3 Research Information .....	75
6.3.1 Level of Supply Chain Management Practices.....	75
6.3.1.6 Level of Supply chain performance effectiveness.....	77
6.3.2 Discussion - Objective Two .....	78
6.3.3 Discussion - Objective Three .....	81
6.4 Discussion of Hypothesis Testing .....	85
6.5 Chapter Summary.....	88
<b>CHAPTER-7.....</b>	<b>89</b>
<b>CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>89</b>
7.1 Introduction .....	89
7.2 Conclusions .....	89
7.2.1 First Objective of the Study.....	89
7.2.2. Second Objective of the Study .....	90
7.2.3. Third Objective of the Study .....	90
7.3 Contribution of the Study .....	91
7.4 Recommendations .....	91
7.5 Limitations of the Study .....	92
7.6 Future Research Direction.....	92

LIST OF REFERENCES ..... 94  
APPENDIX-1 – Questionnaire ..... 98