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THE EFFECT OF SUPPLY CHAIN PRACTICES ON ORGANIZATIONAL PERFORMANCE (THE CASE OF MAA GARMENT)

A THESIS SUBMITTED TO THE FACULTY OF MANAGEMENT STUDIES IN PARTIAL FULLFILLMENT OF THE REQUIREMENTS FOR MASTERS OF BUSINESS ADMINISTRATION DEGREE

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DECLARATION

I, the undersigned, do hereby declare that, this research work "**THE EFFECT OF SUPPLY CHAIN PRACTICES ON ORGANIZATIONAL PERFORMANCE (THE CASE OF FMAA GARMENT)**" is my original work and has not been submitted to any other university, for a degree fellowship; and that all sources of material used for the research have been duly acknowledged.

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Acknowledgement

My special thanks go to “Almighty GOD” who has made this study possible. This research would not have seen its completion had it not been for the support, encouragement and assistance of the researcher’s advisor Mearg Tesfay (Assistant Professor, MBA)

Thanks! Mekell University Faculty of Management Studies makes me enrich to make it done; also, the role his friends and family played cannot be glossed over.

In fact, I cannot fail to extend my gratitude to the management and staff of the MAA Garment Company, for offering themselves in spite of their busy schedules to provide much needed information to enhance the study.

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List of Acronyms and Abbreviations

Acronym/Abbreviation	Full Meaning
CRM: -	Customer Relationship Management
ETIDI	Ethiopian Textile Industry Development Institute
GSCF: -	Global Supply Chain Forum
ISP: -	Information Sharing Practice
IT: -	Information technology
PSA: -	Product and Service Agreements
R&D: -	Research and Development
SC: -	Supply Chain
SCM: -	Supply Chain Management
SCMP: -	Supply Chain Management Practices
SCP: -	Supply Chain Practices
SCOR: -	Supply-Chain Operation Reference-model
SRM: -	Supplier Relationship Management
SPSS:	Statistical Package for Social Scientific

Abstract

The main objective of this study was to investigate the effect of supply chain practices on organizational performances in MAA garment. the dimensions of SCP examined in this study were strategic supplier partnership, customer relationship management, level of information sharing, quality of information sharing and internal lean practice. The study used a descriptive and explanatory research design. simple random sampling method. Using a total of 262 questionnaires; the primary data was collected from 200 employees. The researcher was able to exercise discretion in choosing samples from the target population by using the probability sampling technique, Quantitative research approach was used for this study to determine the effect of supply chain practices and organizational performance in MAA Garment. From the result of the analysis it was concluded that there was strong positive and significant correlation between SCP and overall organizational performance since the SCP explained by 65.4% of the variability of the organizational performance of the company. Pearson correlation was used to quantify the relationships posited in the framework; Based on the findings results indicate that supply chain practices and organizational performance have a high level of correlation. Supply chain practices have, with the exception of the strategic supplier partnerships, customer relationships management, levels and quality of information sharing and internal lean practice provided a positive and significant relationship with the performance of an organization. MAA Garment should strengthen strategic supplier partnerships, prioritize key suppliers, and adopt quality-focused selection. the company needs to implement fast, reliable information-sharing technologies and enhance customer feedback systems to improve service and loyalty. reliable communication with retailers and wholesalers is also recommended to boost production efficiency and overall organizational performance.

Keywords: Supply Chain Practices, organizational Performance, Maa garment

Chapter One

Introduction

1. Background of the Study

Supply chain management is a complex function that's critical to business success, responsible for delivering efficient costs, high quality, fast delivery and continuous innovation throughout companies' entire supply chains (Fawcett, 2001). A supply chain is referred to as a set of companies involved in the upstream and downstream flows of products, services, finances, and information from a source to a customer (Mentzer, et al., 2001).

Supply chain management (SCM) plays a pivotal role in managing demand, reducing cost of operation, improving the quality of products, improving operations, better outsourcing, increasing profits, enhancing customer satisfaction and value, generating quality outcomes, tackling competitive pressures, increasing globalization, increasing importance of ecommerce and competitive advantage (Li, Ragu-Nathan, Ragu-Nathan, & Rao, 2006). SCM assists the business organization to compete in the dynamic international market.

A firm's line of business consists of a collection of activities undertaken in the course of designing, producing, promoting, delivering and supporting its products or services. As the integration of the activities that procure materials and services, transform them into intermediate goods and final products and deliver them to the customers. Textile companies today face consistent changes and increased competition in their business environments. This creates challenges for companies who need to act and be proactive in order to stay competitive and survive.

Textile firms are, thus, faced with increased pressure to meet both customers' demands in a dynamic environment within the shortest time possible and at minimal cost. Christopher (2011), further states that this requires operational excellence across the stages of supply chain and adoption of best supply chain practices in the industry. (Chan & Chong , 2013) Assert that for textile companies to be more competitive they need to develop their supply chain management, through this the firms achieve more efficiency in meeting customer value. This indicates that the satisfaction of the customer is given a due consideration, and the process requires well aligned and inte-

grated partnership within the chain of stakeholders of the supply chain. Enclosed structures that block integration of internal functionality need to be demolished so as all parties involved work hand in hand as a process team to serve the best interest of the ultimate customer.

The ability to manage all activities in the chain determines the margin for companies. This relates to what customers are willing to pay for the product or services that exceed the cost of production.

Supply chain strategies focus on how both internal and external business processes can be integrated and coordinated throughout the supply chain to better serve ultimate customers while enhancing the organizational performance of the individual supply chain members (Green, Whitten and Inman, 2008). Supply Chain strategies require a total system view of the linkages in the chain that work together efficiently to create customer satisfaction at the end point of delivery to the consumer (Mentzer, et.al, 2001). Consequently, costs must be lowered throughout the chain by driving out unnecessary costs there by focusing attention on adding value and the 'bottom line' performance (Green et al., 2008).

Textile refers to the yarns, threads and wools that can be spun, woven, tufted, tied and otherwise used to manufacture cloth. The production of textiles is an ancient art, whose speed and scale of production has been rapidly grow almost beyond recognition by mass-production with an introduction of modern manufacturing techniques and tools. The textile industry comprises of establishments that produce yarn, thread, and fabric and a wide variety of other textile products for use by individuals and businesses (Amare, 2006).

In recent years supply chain has gained significant focus and priority and advancement due it curtails impact in multiple domain nevertheless mounting environmental anxiety regarding waste, increase emission and depletion of resource associated with supply chain operation and service have mirrored this rapid expansion (Giunipero LC, Hooker RE, Joseph-Matthews S, Yoon TE, Brudvig S (2008) A decade of SCM literature: past, present and future implications. Over the past two decades, supply chain management (SCM), emphasizing the interdependence of buyer and supplier firms working collaboratively to improve the performance of the entire supply, has generated extensive interest in both academic and practitioner communities (Shin et al.,2000, Narasimhan and Kim, 2007).

In particular, with the increasing trend of business globalization, how a firm gain and retains its competitive advantage while facing domestic and international challenges has drawn a lot of attention (Huo et al.2008, Kannan And Tan, 2005). The effects of Supply chain management on firm performance in manufacturing industries have also been extensively documented. In Addition to that firms have begun to integrate their external customer-firm-supplier relationships and internal contextual factors as a means to improve customer satisfaction, firm performance, and firm competitiveness. However, research examining the interaction among customer-firm-supplier integration, firm contextual factors, and firm performance has been limited.

A lot of innovation happening today but is not so much in the products as in the processes – the way in which the businesses are run. In recent decades supply chain management (SCM) has been the focus of executive meetings, business columns and research institutes as never before. The importance of integrated, globally optimized supply chains is well understood. Executives have discovered the impact on business performance that can achieve by effectively managing their supply chains.

An agile organization that can manage its business processes has become more and more important than the classic marketing mix of a strong brand and a great product (Heft, 2002). On the other hand, a recent study shows that only a fraction of today’s supply chains managed effectively. One important reason is the mounting challenges faced by the executives. These include globalization outsourcing, and significant increase in supply and demand uncertainties, more products with short life cycles and the proliferation of products in today’s markets. Supply chain (SC) performance measurement is attracting the attention of practitioners and academic researchers. Various authors report the importance of measuring and managing organizational Performance to improve the understanding and cooperation among partners to raise SC coordination and finally to pursuit SC excellence (Ibid).

In organizational performance measurement different authors points out the opportunity to classify measures in qualitative and quantitative. Typical measures concerning the first one are customer satisfaction, flexibility, information and material flow integration, effective risk management and supplier performance; while distinctive indicators for the second are costs and customer responsiveness. In a subsequent work, the same author (Beamon, 1999), proposes also to distinguish measures in three MIDROC Gold Mining Pvt. Ltd. Co 8 SC Performance Drivers On

MIDROC Gold Mining Pvt. Ltd. Co dimensions: resource (distribution costs, inventory, ROI, etc.) that analyses efficiency levels, output (sales, on-time deliveries, customer complaints, etc.) that 8 measures business results and finally flexibility (reductions in the number of lost sales, increased customer satisfaction, etc.) which The Ethiopian textile sector has yet to realize its A full potential: sales are heavily concentrated among a few products.

Productivity meanwhile continues to suffer as a result of limited skills in the workforce, weak management a capacity that relies on outdated equipment, among other issues. In addition, remaining problems in the business environment create unnecessary cost burdens and delays (ET-IDI, 2015). Therefore, the need to address the supply chain of the garment industry will prompt the researcher to undertake a study on the factors affecting the organizational performance of MAA Garment Factory. Evaluates SC readiness to the dynamism of the environment (Brewer and Speh, 2000).

1.1. Statement of the problem

The concept of supply chain has received increasing attention in view of recognizing its strategic importance in reducing cost of operation, improving customer value and satisfaction, enhancing organizational performance, and withstanding the competitive challenges (Lin, 2005).

Empirical studies indicate that different researchers have devoted due attention to factors affecting organizational performance. Leedy and Oman (2010) conducted a study on the impact of supply chain management practices on performance of Small and Micro Enterprises in Turkey. Based on exploratory factor analysis, the researchers grouped SC practices in two factors: outsourcing and multi-suppliers, and strategic collaboration and lean practices. The results indicated that both factors (strategic collaboration and lean practices and outsourcing and multi-suppliers) have direct positive and significant impact on organizational performance.

Tomas (2011) carried out a study to assess the performance management practice of Ethiopian Leather Footwear Factories: The case of Ambessa shoe Share Company, identify critical problems, and propose a firm level total performance improvement method. His findings indicated that the leather shoe factories had both internal and external problems resulting in low performance and competitiveness. To alleviate the internal or firm level problems, a total performance

improvement method called Total Performance Scorecard (TPS) was proposed. In addition, improvement directions were forwarded towards the external or sector level problems.

With respect to the textile industry, the African textile industry is affected by a lot of problems with regard to its competitiveness. The problems that negatively affect the growth and competitiveness of the industry are: Poor quality of raw material, poor and deteriorating infrastructure of roads, power supply and telecommunications that affects all the components of the chain, low levels of transparency in business operations, insufficient experience in trade negotiations, inadequate levels of technological development and low labor productivity and poor management (Brahim, 2002). Moreover, according to USAID (2013), the textile industry is hobbled by supply, quality, market, and skilled labor and finance constraints.

The industry faces several challenges as it strives to strengthen its capabilities amid increasingly fierce global competition. These include a lack of sufficient raw material supply to meet demand, absence of price incentives that reward superior quality, limited foreign and domestic investment in the value chain, and restricted access to operating capital. Additionally, the sector suffers from a lack of specialization needed to access niche markets in Europe and Asia, low worker productivity, and weak backward and forward linkages—all of which contribute to the poor performance of the industry (Enkurie, 2015)..

Although the effect of supply chain management practices on organizational performance has been widely studied, limited empirical research has investigated the combined effect of strategic supplier partnership, customer relationship management, level of information sharing, quality of information sharing, and internal lean practices in a single framework particularly in developing countries like Ethiopia in general MAA Garment in particular.

For instance, Haile (2017) examined the impact of SCM practices on performance using a single case (BGI Ethiopia) without disaggregating specific SCM dimensions such as information sharing quality or internal lean practices. Similarly, Li et al. (2006) and Gopal et al. (2019) considered SCM practices broadly but did not differentiate between the level and quality of information sharing, nor did they emphasize internal lean practices as distinct variables. Karimi and Rafiee (2014) focused on competitive priorities without isolating CRM or lean practices, while Gandhi et al. (2017) and Gorane and Kant (2017) addressed SCM practices in developing and emerging markets but grouped practices generally, rather than examining their individual effects. Al-

Rawashdeh et al. (2023) introduced the moderating role of supply chain complexity but also did not explore the five specific practices of interest in this study.

Thus, a research gap exists in understanding how each of these five supply chain practices influences organizational performance, especially within the Ethiopian context in general MAA garment in particular. This study seeks to address this gap by empirically assessing these variables to provide both theoretical contributions and practical implications for supply chain effectiveness in emerging economies.

1.2. Research Question

The study tries to answer the following question:

1. What is the effect of Strategic Supplier Partnership on organizational performance?
2. What is effect of Customer Relationship on organizational performance?
3. What is effect level of Information Sharing on organizational performance?
4. What is effect of Quality of Information Sharing on organizational performance?
5. What is effect of Internal Lean Practices on organizational performance?

1.3. Objective of the study

1.3.1. General Objective

The general objective of the study is to determine factors that affect the supply chain performance of MAA garment.

1.3.2. Specific objectives

1. To identify effect of Strategic Supplier Partnership on organizational performance;
2. To analyze effect of Customer Relationship on organizational performance;
3. To examine effect of Level of Information Sharing on organizational performance
4. To examine effect of Quality of Information Sharing on organizational performance; and
5. To analyze effect of Internal Lean Practices on organizational performance.

1.4. Scope of the study

This study focuses specifically on the factors affecting supply chain practices in garment factory, deliberately narrowing its scope to ensure manageability in terms of time, financial resources, and research feasibility. While supply chain management (SCM) encompasses a wide range of managerial practices—including procurement, logistics, inventory control, and distribution—this research excludes a comprehensive analysis of all SCM aspects and broader industry-wide evaluations. Instead, it concentrates on internal operational factors relevant to the chosen factory, leaving out comparative studies, global benchmarks, and extensive financial modeling to maintain a focused and practical approach.

The subject scope of this study is also delimited to the company's point of reference towards strategic supplier relationship, customer relationship management, and level of information sharing, quality information sharing and internal lean practice. Market share, return on investment, market share growth, sales growth, and return on investment growth, sales profit margin, and overall competitive position are all components of organizational performance. The area of the study is also delimited to the case company i.e., MAA garment industry located in capital city of Tigray Mekelle, Quiha sub city. The study used only a quantitative research strategy and primary data. In this study, a cross-sectional survey was employed and was carried out over the period 2024 /2025.

1.5. Limitation of the study

- The study focuses only on MAA Garment Factory in Mekelle City, which limits the generalizability of findings to other garment factories or industries.
- Data collection and analysis within a limited timeframe may restrict the depth of investigation and the ability to capture seasonal or long-term trends.
- Limited access to confidential or sensitive operational data could affect the completeness and accuracy of the analysis.

1.6. Significance of the study

The Textile industry involves an environment with various competitive stakeholders. The study is expected to have an incredible significance for textile industry in general and for MAA garment textile factory in particular. The findings of the study may help management to promote the concepts and practices of SCP in order to enhance Organization performance and remain competitive in the industry with in Ethiopia and globally. Moreover, this study will help in advancing further research concerning factor affecting organizational performance.

1.7. Organization of the paper

The rest of the paper is organized as follows: chapter two presents the theoretical and empirical related literature to the study, while chapter three provides research methodology.

Chapter Two

Review of Literature

Introduction

This chapter generally presents literature review of the study. It covers value chain, supply chain, supply chain management, framework of supply chain processes, supply chain performance, empirical literature review, global textile supply chain, and the Ethiopian textile Supply Chain.

2.1. The Essence of Supply Chain and its Management

Supply chain links value chains. As defined by Laney (2007) and Quinn (2000), supply chain links all process incurred within an organization from acquiring raw material from supplier to delivering final product to customer. Quinn emphasizes the importance of information in defining supply chain which includes sourcing and procurement, production scheduling, order processing, inventory management, transportation, warehousing, and customer service. Importantly, it also embodies the information systems so necessary to monitor all of those activities”.

These days, business enterprises are facing increasing pressure of customers’ requirement for product customization, quality improvement and responsiveness. Further, enterprises are striving for reducing production costs, lead time, and inventory level in order to ensure and enhance profitability. Consequently, companies have entered into an era of competition among different supply chains, leading them to work as a team in the formed network of business relationship (Lambert, Cooper and Pagh, 1998).

These integrated and multiple relationships require the proper essence of supply chain management. Supply Chain Management is the integration of key businesses processes from end user through original suppliers that provides products, services and information that add value for customers and other stakeholders (lamber and cooper, 2000).

The concept of supply chain management is developed based on the notion of value chain launched by (Porter, 1985), which helps to examine all the activities carried out to create value on product or services. Supply Chain Management is also related to the concept of logistics. The

development of logistics was originally undertaken by the military in ancient times (Britannica, 1994). The term supply chain management was coined in 1982 by Keith Oliver, a management consultant at Booz Allen Hamilton (Cortada, 2001). Oliver used the term to develop a vision for tearing down functional structural boxes that separated production, marketing, and distribution. Accordingly, the concept was amplified to indicate the efficiency and mutual benefits associated with information sharing and decision coordinating up and down stream supply chain.

Supply chain management (SCM) is a systemic, strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole (Mentzer et al . 2001).

According to (Chopra and Meindl, 2007), supply chain consists of all parties involved, directly or indirectly, in fulfilling customer request. Within each partner organization, the supply chain includes all functions involved in receiving and filling a customer request. It involves set of co-ordinated activities for efficiently integrating suppliers, manufacturers, marketing, distribution, finance, and customer service so as the right product or service could be delivered at the right time, quality, place, and quantity (Lambert, 1997). According to Dawe Lu (2011), supply chain involves a set of inter-connected partner companies that add value to a stream of transformed inputs from their sources of origin to the end products or services that are demanded by designated end-consumer.

The objective of SCM is to maximize the overall value generated by minimizing cost through effective and timely distribution of products needed by ultimate customers. Value is also created by enhancing quality with lower costs as compared to competitor's products. Responding to wide range of customers' demand, short lead times, and in appropriate cost creates value to customers (Sahay and Gupta, 2006).

2.2. Supply Chain Management Theory

Supply Chain Management (SCM) Theory is a key factor in understanding how integrated supply chain practices enhance organizational performance, particularly in fashion. SCM entails planning, implementation, and control of supply chain activities to generate customer value at lower cost (Mentzer et al., 2001). In the apparel industry, effective SCM is obtained through a

combination of several processes, including sourcing raw materials, scheduling production, inventory management, and distribution logistics. Such combination is important owing to the character of the challenges facing the industry, including volatile consumer demand, global sourcing, and the imperative for rapid turnaround time.

Tests in recent years have demonstrated that companies adopting sound SCM practices can significantly improve process efficiency and responsiveness. For instance, through the development of close relationships with suppliers and collaborative forecasting, apparel manufacturers are in a position to align their production schedules with customers' requirements, reduce lead times, and avoid excess inventories (Zhang et al., 2022). Secondly, the use of technology in SCM, such as big data analytics and real-time tracking systems, enhances supply chain visibility and enables companies to make informed decisions and respond timely to disruptions.

Moreover, SCM Theory lays a strong focus on strategic collaboration and partnership among supply chain members. In the garment industry, which is characterized by intense competition and thin margins, collaborative relationships lead to shared resources, knowledge sharing, as well as innovation, thus driving gains in performance (Khan & Qureshi, 2020)

2.3. Resource-Based View (RBV)

The Resource-Based View (RBV) is a background theory for the study of the effects of supply chain practices on organizational performance in the apparel industry. The RBV sees organizations as a collection of resources that can be used to build competitive advantages. These resources include tangible assets such as machinery and technology, and intangible assets such as brand reputation, organizational culture, and human capital (Barney, 1991). In the garment industry, firms that can manage and leverage their unique resources effectively will be more effective in achieving higher performance outcomes.

For instance, the garment industry is characterized by rapid shifts in customers' preferences and market demands, calling for a responsive and agile supply chain. Companies with advanced-level technological competencies, such as automated manufacturing systems and analytics, can streamline supply chain activities, leading to greater efficiency and reduced costs. Furthermore, the RBV maintains the importance of having strong relationships with suppliers and distributors.

Companies with close ties can benefit from shared information, improved communication, and tighter coordination that are necessary to deal with international supply chain complexities.

Empirical studies carried out in the recent past confirm the relevance of the RBV to the apparel sector, with companies that align their supply chain assets and business objectives strategically outperforming others (Khan & Qureshi, 2020). For example, companies that put money into employees' training and development have the potential to enhance productivity and innovation, thus achieving better operating results. Additionally, the RBV highlights the need to create a unique value proposition founded on differentiated supply chain practices that have the potential to create superior customer loyalty and market share.

2.4. The Drivers of Supply Chain

The drivers of supply chain emerged as a result of global competitive environment and include product and service cost, quality, delivery, technology, and cycle time (Handfield, 2002). To this end, companies in any supply chain need to make an appropriate decision in the areas including: production (what, how, and when to produce), inventory (how much to make and how much to store), location (where best to do what activity), transportation (how and when to move product), information (the basis for making these decisions). Effective supply chain management calls primarily for an understanding of each driver and how it operates. Each driver has the ability to directly affect the supply chain and enable certain capabilities. Subsequently, develop and apply a combined mix of the drivers where and when necessary.

2.5. SCM practices

SCM practices refer to the set of activities undertaken in an organization to promote effective management of its supply chain (Yared, 2017). Donlon (1996) designates SCM practices to include supplier partnership, out sourcing, cycle time compression, continuous process flow, and information technology sharing. Tan, Kannan, and Handfield, (1998) used purchasing, quality, and customer relations to represent SCM practices. Tan et al. (1998) further identified six aspects of SCM practice as:

supply chain integration, information sharing, supply chain characteristics, customer service management, geographical proximity and JIT capability.

(Langley et al. , 2006), identified five characteristics of supply chain management: inventory visibility managing, pull systems as opposed to pushing out inventory in advance of demand, which tends to inflate inventory levels and lead to obsolete inventory and lower inventory turnover, cost efficiency or lowering cost, information Managing/sharing, and Customer Service.

Generally, the literature portrays SCM practices as a variety of perspectives with a common goal of ultimately improving supply chain performance. In reviewing and consolidating the literature, the distinctive dimensions including strategic supplier integration, customer relationship, level and quality of information sharing and internal lean practice are identified for measuring SCM practice.

2.6. Determinate of Organizational performance

2.6.1. Strategic Supplier Relationship

Strategic supply relationships play a pivotal role in enhancing organizational performance by fostering collaboration and trust between suppliers and organizations. Recent literature emphasizes the importance of these relationships in achieving competitive advantage and operational efficiency. For instance, a study by Cao and Wang (2022) highlights those effective strategic supply relationships enable organizations to secure high-quality goods and services, foster innovation, and gain a competitive edge. Mohamud et al. (2023) further elaborate that these relationships are crucial for optimizing procurement processes, which directly impact overall organizational performance

The systematic evaluation of procurement practices underscores the benefits of strategic supplier partnerships, including cost savings, improved quality and delivery, and enhanced supplier relationships. Therefore, strategic supply relationships are integral to the successful functioning of organizations and their ability to achieve desired performance outcomes.

Is the long-term partnership that exists between an organization and its suppliers it is intended to help each participating firm achieve major, long-term benefits by utilizing their operational and strategic strengths (Stuart, 2004). A strategic partnership promotes joint planning, problem-solving, and direct, long-term affiliation.

These kinds of strategic alliances are formed to encourage mutual gain and continued involvement in one or more important strategic domains, like markets, goods, and technology (Yoshino, 1995). Organizations can collaborate more successfully with a select group of significant suppliers who are prepared to share accountability for the goods' success when they have strategic partnerships with them. Early supplier involvement in the product design process can help choose the best technologies and components, provide more economical design options, and aid in design evaluation (Wisner, 2002). Organizations that are strategically aligned can collaborate closely and cut down on unnecessary time and effort. A cutting-edge supply chain may depend heavily on a successful supplier partnership.

2.6.2. Customer Relationship (CR)

Customer Relationship Management (CRM) is a critical strategy for improving organizational performance by enhancing interactions and connections with customers. Al-Homery et al. (2023) review the literature on CRM definitions and highlight its impact on organizational performance. They note that CRM helps organizations understand and respond to changing customer behaviors, which is essential for maintaining competitive advantage in dynamic markets.

Guerola-Navarro et al. (2024) further emphasize that CRM aligns with entrepreneurial marketing and customer-centric business models, driving growth and return on investment. The integration of CRM with business intelligence and big data analytics is also noted as a significant factor in empowering organizations to meet customer expectations and transform their business strategies

Thus, CRM is a comprehensive framework that supports organizational performance through improved customer relationships and strategic marketing initiatives.

Supplier and Customer Relationship is a way of managing an organization relationship with customers and suppliers in order to enhance customer satisfaction and performance of an organization (Tiringo, 2013). The growth of mass customization & personalized service is leading to an era in which relationship management with customers is becoming crucial for corporate survival.

The customer relationships include a range of practices that are employed for the purpose of managing customer complaints, building long term relationships with customers & improving customer satisfaction (Tiringo, 2013) Customer relationship allows a company to be more responsive in fulfilling customers' demand and differentiate its product from competitors, sustain

customer loyalty & extend the value it provides to its customer through improving customer satisfaction. The ability to build a close relationship with customers brings companies in to a long-lasting competitive edge (Ibrahim & Hamid, 2012).

It includes the full range of procedures used to handle customer complaints, establish enduring connections with customers, and raise customer satisfaction (Noble, 1997; Tan, 1998). Think of customer relationship management as a crucial part of supply chain management. Day (2000) noted that because committed relationships have built-in obstacles to competition, they constitute the most sustainable advantage.

An era where customer relationship management is becoming essential for business survival is being ushered in by the rise of mass customization and personalized service (Wines, 1996). Successful supply chain management (SCM) program execution requires positive relationships with all parties involved, including customers. A close relationship with customers enables a business to set itself apart from rivals, maintain client loyalty, and significantly increase the value it offers to clients.

2.6.3. Level of Information sharing

The level of information sharing within an organization significantly influences its performance, particularly in knowledge-intensive business services. Danko and Crhová (2024) argue that knowledge sharing between managers and employees enhances organizational performance by nurturing both horizontal and vertical information flow, which fosters innovativeness. Their study, based on partial least squares structural equation modeling, suggests that organizations with robust knowledge-sharing practices are better positioned to increase market efficiency and innovativeness

However, the impact of knowledge sharing on financial performance is minimal, indicating that while knowledge sharing is crucial for operational and strategic benefits, its direct financial implications may be limited. This highlights the need for organizations to strategically implement knowledge-sharing practices to maximize their overall performance.

Information sharing is an important aspect in achieving unified integration in a supply chain. Cross functional integration and inter organizational integration requires the visibility of infor-

mation across the supply chain. Karimi & Rafiee (2014) stated that information is crucial and drives the entire supply chain system.

The dimensions of information sharing are classified into quantity and quality. The quantity of information sharing refers to the extent to which critical and own information is communicated to one's supply chain partner. Shared information can vary from strategic to tactical in nature and from information about logistics activities to general market and customer information. Many researchers have suggested that the key to a harmonious supply chain is making available undistorted and up-to-date marketing data at every node within the supply chain. By taking the data available and sharing it with other parties within the supply chain, information can be used as a source of competitive advantage. Sharing of information is one of five building blocks that characterize a solid supply chain relationship.

According to Karim and Rafiee (2014), supply chain partners who exchange information regularly are able to work as a single entity, understand the needs of the end customer, and respond to market change quicker. The amount and kind of information that is shared with a supply chain partner that is deemed crucial and confidential. Child House P, Towill DR. Supply chain integration, in turn, is dependent on simplified material flow. OMEGA, 2003.

2.6.4. Quality of information sharing

Quality of information sharing within an organization significantly influences its performance, particularly in knowledge-intensive business services. Danko and Crhová (2024) argue that knowledge sharing between managers and employees enhances organizational performance by nurturing both horizontal and vertical information flow, which fosters innovativeness.

Their study, based on partial least squares structural equation modeling, suggests that organizations with robust knowledge-sharing practices are better positioned to increase market efficiency and innovativeness. However, the impact of knowledge sharing on financial performance is minimal, indicating that while knowledge sharing is crucial for operational and strategic benefits, its direct financial implications may be limited.

This highlights the need for organizations to strategically implement knowledge-sharing practices to maximize their overall performance. A systematic review by Yeboah (2023) emphasizes the importance of aligning knowledge-sharing processes with overall business objectives and strate-

gies to maximize their benefits. The review identifies key enablers and barriers to effective knowledge sharing and suggests that organizations should focus on designing processes that support their strategic goals. This approach ensures that knowledge sharing contributes to the development of competencies required for specific markets and enhances organizational performance.

Islam et al. (2021) highlight that knowledge management activities, including knowledge acquisition, encoding, storage, transfer, application, and sharing, are crucial for creating economic value and competitive advantage. Effective knowledge sharing systematically influences these activities, leading to improved organizational performance. Organizations that prioritize the quality of their knowledge-sharing practices are better equipped to differentiate their products and services from competitors, thereby achieving higher performance outcomes.

There is a substantial and positive correlation between the intensity of information exchange and the quality of the information. Several criteria, such as timeliness, accuracy, adequacy, completeness, and dependability of shared information, were used in this study to measure the quality of the information. This implies that if businesses believe the information they receive from their partners is of a good caliber, they will share more information with them.

This result is in line with earlier studies (Moberg et al. Citation2002, Li and Lin Citation 2006) that found that giving business partners' high-quality information indicates credibility and could persuade them to provide additional information. Similarly, by promoting a more thorough and regular flow of information, more information-sharing activities will raise the quality of information. Therefore, once mutual trust has been created, information sharing can begin with a small amount of operational information and advance to sharing more, possibly more sensitive and critical information.

While information sharing is important, the significance of its impact on SCM depends on what information is shared, when and how it is shared, and with whom. Informational asymmetries across supply chain could affect the quality of information. Ensuring the quality of the shared information becomes a critical aspect of effective SCM. Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion (Li, Ragu-Nathan, Ragu-Nathan, & Rao, 2006).

Bhasin and Butcher (2006) include supplier development, kaizen, and kanban systems as some of the popular lean procurement approaches. Converting an organization into a lean enterprise requires a long-term mindset, processes, people, and the appropriate culture (Liker, 2004; Henderson et al., 1999). Lean supply relies heavily on long-term partnerships with suppliers (Handfield, 1993). Liker (1996), Lathin (2001), and Ferch et al. (1998) state that lean procurement techniques are necessary in today's demand-driven supply chains. These techniques aim to reduce waste in all procurement cycles, avoid shortages, lower inventory investment, shorten lead times and costs, increase inventory turnover, and guarantee customer satisfaction. These techniques guarantee increased productivity and process standardization.

2.6.5. Internal Lean practices

The term "lean" refers to a system that uses less input to produce at a mass production speed while providing more variety to end users. Elimination of waste is a fundamental idea within the lean system. The main idea behind lean practices is that they can work together to create a high-quality, streamlined system that produces finished products at the pace of customer demand with little to no waste (Woldemichael, 2012). Today, lean is developing into a management approach that enhances all organizational processes at every level (Mwale, 2014). Lean practices, originating from Toyota's production system, have been widely adopted across industries to improve efficiency, reduce waste, and enhance overall organizational performance.

Theophilus (2024) highlights that lean manufacturing practices positively influence organizational performance by optimizing processes and reducing operational costs. The review discusses the evolving nature of lean practices in the context of Industry 4.0 and sustainable manufacturing, emphasizing the need for continuous improvement and adaptation to new technologies.

Bulla and Fogla (2023) explore the impact of Lean Six Sigma on organizational performance, noting that the integration of lean principles with Six Sigma methodologies drives significant improvements in process efficiency and customer satisfaction. Their research indicates that successful implementation of Lean Six Sigma requires strong organizational culture, leadership commitment, and employee engagement. These factors are critical for overcoming implementation challenges and achieving sustained performance improvements.

Skalli et al. (2024) examine the challenges and barriers to implementing lean practices effectively, identifying key factors such as technological turbulence and integration with other manage-

ment approaches. Their findings suggest that while lean practices generally enhance organizational performance, their effectiveness depends on the organization's ability to adapt to changing technological and market conditions. This underscores the importance of strategic planning and continuous monitoring to ensure the successful implementation of lean practices.

Process setup time is a critical indicator of internal lean practices, reflecting the efficiency with which an organization can transition from one production process to another. Recent literature emphasizes the importance of reducing setup times to enhance overall operational efficiency and responsiveness. According to Theophilus (2024), minimizing setup time is a fundamental aspect of lean manufacturing, as it directly impacts production flexibility and reduces downtime. By implementing techniques such as Single-Minute Exchange of Die (SMED), organizations can significantly cut down setup times, leading to increased production capacity and reduced lead times. This improvement not only enhances operational efficiency but also contributes to better resource utilization and cost savings, ultimately boosting organizational performance.

Lead time, the duration from the initiation of a process to its completion, is another vital indicator of internal lean practices. Efficient management of lead time is crucial for maintaining competitive advantage and meeting customer expectations. Theophilus (2024) highlights that reducing lead time through lean practices such as Just-In-Time (JIT) production and continuous flow processes can significantly improve organizational performance. Shorter lead times enable organizations to respond more quickly to market demands, reduce inventory costs, and enhance customer satisfaction. Furthermore, lead time reduction is associated with improved cash flow and reduced risk of obsolescence, making it a key focus area for organizations aiming to optimize their supply chain operations.

Continued time, often referred to as cycle time, measures the total time taken to complete a production cycle from start to finish. This indicator is essential for assessing the efficiency of production processes and identifying areas for improvement. Theophilus (2024) notes that reducing continued time is a core objective of lean practices, as it directly influences production throughput and overall efficiency. By streamlining processes and eliminating non-value-added activities, organizations can achieve shorter cycle times, leading to faster delivery of products and services. This reduction in continued time not only enhances operational performance but also supports higher levels of customer satisfaction and competitive advantage.

Lean Enterprise Institute (2009) states that Krafcik came up with the name "lean" in the late 1980s, however the concept gained popularity in the West in the early 1980s due to competition from the Japanese auto industry, which provided high-quality, reasonably priced goods. It is difficult to define lean accurately, and any organization that implements lean will probably take a different approach (Lewis, 2000). It involves eliminating all of the time and resources that were squandered during the production process. According to Mark, Wilson, and Ram (2009), lean can be viewed as a philosophy, work culture, technique, management idea, value, approach, or ethos.

Lean is currently developing into a management style that enhances all organizational processes at every level (Womack et al., 1990; Liker, 1998). Bhasin and Butcher (2006) include supplier development, kaizen, and kanban systems as some of the popular lean procurement approaches. Converting an organization into a lean enterprise requires a long-term mindset, processes, people, and the appropriate culture (Liker, 2004; Henderson et al., 1999).

Lean supply relies heavily on long-term partnerships with suppliers (Handfield, 1993). In line with Liker (1996) and Lathin (2001), According to Ferch et al. (1998), lean procurement techniques are necessary in today's demand-driven supply chains. These techniques aim to reduce inventory investment, eliminate waste in all procurement cycles, prevent shortages, increase inventory turnover, lower procurement lead time and cost, and guarantee customer satisfaction. These techniques guarantee increased productivity and process standardization. In-depth case studies offer valuable perspectives on effective lean initiatives in textile businesses, illustrating how these approaches can be modified to meet the particular requirements of the sector. As an illustration of the observable advantages of lean implementation, a spinning mill's use of lean tools led to enhanced process flows and decreased faults (Zamora-Gonzales et al., 2021).

2.7. Organizational Performance

There is no widely agreed-upon definition of organizational performance, and it is challenging to quantify. On the other hand, organizational performance describes how successfully a company meets both its financial and market-oriented objectives (Wijetunge, 2016).

Organizational performance refers to how well an association achieves its request acquainted pretensions as well as its fiscal pretensions (Yamin, 1999). The short- term objects of SCM are

primarily to increase productivity and reduce force and cycle time, while Long- term objects are to increase request share and gains for all members of the force chain (Tan, 1998). Financial criteria have served as a tool for comparing associations and assessing an association's geste over time (Holmberg, 2000).

Return on investment (ROI), market share, profit margin on sales, ROI growth, sales growth, market share growth, and overall competitive position are just a few of the financial and market criteria that have been used in a number of previous studies to assess organizational performance (Vickery et al., 1999; Stock et al., 2000; and Zhang., 2001).

Any organizational action, including force chain operation, should eventually lead to enhance organizational performance. A number of previous studies have measured organizational performance using both fiscal and request criteria, including return on investment (ROI), request share, profit periphery on deals, the growth of ROI, the growth of deals, the growth of request share, and overall competitive position represented by constructs like, Price/ Cost. "The capability of an association to contend against major challengers grounded on low price" (Li, 2006). Quality. "The capability of an association to offer product quality and performance that creates advanced value for guests." (Koufteros, 1995) delivery responsibility the capability of an association to give on time the type and volume of product needed by client(s) (Li et al, 2006), Product Innovation. The capability of an association to introduce new products and features in the business (Koufteros, 1995) and time to vend "The capability of an association to introduce new products briskly than major challengers" (Li et al., 2006).

The organizational performance includes multitudinous conditionings that allow to define the pretensions of the association and to control the progress towards the target (Kopczak & Johnson, 2003). The purpose of it's to make changes to achieve pretensions in a more effective and effective way. Business directors and possessors generally are frustrated with Organization Performance. These is indeed, though the workers of the company are hardworking and are busy doing their tasks, they're unfit to achieve the planned results because their companies are unfit to do so. Results are achieved more due rather; it's to the workers' sweats rather than to unanticipated events and good fortune. But to be successful in any business, there has to be function and accomplishment of functions.

The forms of performance in organizations vary depending on whom and what are measured. Measurement is meant for. Different stakeholders require different performance this provides them with indicators to make informed decisions (Manyuru, 2005). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes (a) financial performance (profits, return on assets, return on investment, etc.). (b) Product market performance (sales, market share, etc.); and (c) shareholder return Mahapatro, (2009) defines (total shareholder return, economic value added, etc.)

The ability to perform an organization's mission is referred to as organizational performance. Sound management, good governance and persistent rededication to results Mission driven, entrepreneurial, adaptable, customer focused, effective nonprofits are outcomes-oriented and sustainable. Thompson et al. (2007), observes that the use of financial measures alone fails to take into account the fact that this is what allows a company to get or make better financial results from its operations. This is the achievement of strategic objectives which enhance its competitiveness and market. Strength, Innovativeness (Goldsmith and Cluterbuck, they also included their market standing (Saunders and Wong, 1995; Hooley and Lynch, 1995; Saunders and Hughes, 1996; Saunders and Wright, 1998) and firm age (Saunders and Wong, 1995).

This phrase describes how the business is able to meet both its internal (i.e., operational performance) and external (i.e., market) objectives (Tzokas et al., 2015). A key component of attaining (OP) organizational performance is increasing productivity through reduced costs and improved profit (Hussain et al., 2018). Additionally, as businesses seek to develop creative capabilities to improve their performance, the job of OP is receiving a lot of attention these days. According to AI-Weshah et al. (2019), adapting those skills that can create a range of products with the least amount of efficiency is the new paradigm for becoming a successful firm.

Therefore, both the financial and non-financial measures are used to measure performance. Methods to measure the overall organizational efficiency are listed by Kaplan and Morton (1992). accounting measures (profitability measures, growth measures, among others), leverage, liquidity and cash flow measures), operational performance (market share, changes in intangible assets such as patents or human resources, customer satisfaction market-based measures (return on shareholder ... etc.) and stakeholder performance. market based measures (return on shareholder, market value added, etc.)

2.7.1. Increase in Market Share

An increase in market share is a critical indicator of organizational performance, reflecting a company's ability to capture a larger portion of the market relative to its competitors. Recent studies emphasize that market share growth is not only a sign of competitive strength but also a driver of long-term profitability and sustainability. For instance, Zairbani and Prakash (2025) highlight that strategic growth significantly influences competitive strategy, which in turn boosts firm performance and organizational behavior. This relationship underscores the importance of market share as a metric for evaluating the effectiveness of competitive strategies and their impact on overall organizational success.

2.7.2. Return on Investment

Return on Investment (ROI) is a fundamental measure of organizational performance, providing insights into the profitability and efficiency of investments. Safariningsih et al. (2024) discuss how ROI is crucial for assessing the effectiveness of various organizational development efforts, including training, technology, and structural changes. Their literature review indicates that a positive ROI is indicative of successful investments that contribute to organizational growth and development. This metric is essential for organizations to ensure that their investments yield the desired financial outcomes and support strategic objectives.

2.7.3. Growth of Market Share

The growth of market share is closely linked to an organization's ability to innovate and adapt to market changes. Alkandi and Helmi (2024) explore how strategic agility, mediated by market orientation and innovation capabilities, impacts organizational performance. Their findings suggest that organizations that effectively leverage their innovation capabilities and market orientation are better positioned to achieve significant market share growth. This growth is a testament to the organization's competitive advantage and its ability to meet evolving customer needs.

2.7.4. Growth of Sales

The growth of sales is a direct indicator of an organization's market performance and its ability to generate revenue. Recent literature emphasizes the role of strategic marketing and customer relationship management in driving sales growth. Guerola-Navarro et al. (2024) highlight that CRM

strategies aligned with entrepreneurial marketing significantly contribute to sales growth and overall organizational performance. This relationship underscores the importance of effective sales strategies and customer engagement in achieving sustained revenue growth.

2.7.5. Profit Margin on Sales

Profit margin on sales is a critical measure of an organization's financial health and operational efficiency. Studies indicate that higher profit margins are associated with effective cost management and value creation strategies. Zairbani and Prakash (2025) identify cost leadership and differentiation strategies as key factors influencing profit margins and overall organizational performance. These strategies enable organizations to optimize their operations, reduce costs, and enhance profitability, thereby improving their financial performance.

2.7.6. Improved Product/Service Quality

Improved product or service quality is a vital indicator of organizational performance, reflecting the organization's commitment to meeting customer expectations and enhancing satisfaction. Ambadas and Pagare (2024) discuss the impact of service quality management on customer satisfaction, loyalty, and financial performance. Their findings suggest that organizations that prioritize quality improvements are more likely to achieve higher customer satisfaction and loyalty, which in turn drives better financial outcomes and competitive advantage.

2.7.7. Product Innovation

Product innovation is a key driver of organizational performance, enabling companies to differentiate themselves and meet changing market demands. Katebi et al. (2024) reveal a positive and significant relationship between innovation and organizational performance. The study highlights that innovation not only enhances product offerings but also improves overall organizational adaptability and competitiveness. This relationship underscores the importance of continuous innovation in achieving long-term success and growth.

2.8. Ethiopian Garment Industry Supply Chain

Garment production process is fragmented and labor-intensive. With low capital and skill requirements, it is ideally suited to the early stages of industrialization (Alem, 2009). The 27 Ethiopian garment industries are segmented into tailors, domestic manufacturers and exporters. Tailors undertake the bulk of production of the domestic market. A typical tailoring shop consists of

a tailor who deals with customers (helping with design and measurement) and 3-4 workers who stitch the clothes. Consumers generally provide the fabric; therefore, tailors have low fixed costs and pay lower wages. Generally, most tailor-made clothing is cheaper than ready-made apparel. Domestic manufacturers and exporters produce western style ready-made apparel for either domestic or export (Profile of the Textile Industry, (<http://www.ethioiaemb.org.cn/bulletin/209/003.html>, n.d.). This research focuses only western style ready-made apparel. In today's era of globalization, many goods are produced in complicated patterns. How garments are produced around the world has become very complicated. Big companies that sell garments place orders with other companies to make them; which is called subcontracting. The subcontractors often subcontract to smaller companies, and they in turn subcontract again. Many companies are involved, across many countries which make the supply chain very complex (Mather, 2004). The role of the supply chain manager is to minimize this complexity, and try to make the supply chain as efficient as possible (Alexandra, 2010).

2.9. Empirical Literature Review

Empirical studies indicate that different researchers have devoted due attention on the relationship of supply chain management practices and organizational performance. Some of these researches and their findings are discussed as follows.

Lenny et al. (2007) conducted a study on the impact of supply chain management practices on organization performance of Small and Micro Enterprises in Turkey. Based on exploratory factor analysis, the researchers grouped SCM practices in two factors: outsourcing and multi-suppliers, and strategic collaboration and lean practices. The results indicated that both factors (strategic collaboration and lean practices and outsourcing and multi-suppliers) have direct positive and significant impact on operational performance.

According to research by IndaSukati et al. (2012) titled The Study of Supply Chain Management Strategy and Practices on organizational Performance in Malaysia's Manufacturing Industry, supply chain management practices and supply chain performance show a substantial statistical link. This study also looks at how well the supply chain works in terms of information exchange, customer relations, and strategic supplier alliances.

Additionally, this study showed that information exchange, customer interactions, and strategic supplier collaborations are all highly predictive of supply chain performance.

Tomas (2011) carried out a study to assess the performance management practice of Ethiopian Leather Footwear Factories: The case of Anbessa shoe Share Company, identify critical problems, and propose a firm level total performance improvement method. To undertake this research, primary and secondary data were collected through a survey questionnaire, and interviews. To analyze and present the data, pie charts, bar graphs, and cause and effect diagram were used. In addition, to see the performance gap of the case factory, benchmarking was done. Findings of the study indicated that the leather shoe factories had both internal and external problems resulting in low performance and competitiveness. To alleviate the internal or firm level problems, a total performance improvement method called Total Performance Scorecard (TPS) was proposed. In addition, improvement directions were forwarded towards the external or sector level problems.

Mwale (2014) studied the supply chain management and organizational performance of big manufacturing firms in Nairobi, Kenya. According to the study, seven independent variables—strategic supplier partnerships, customer relationships, information sharing levels and quality, outsourcing levels, lean practices, and postponement—are responsible for the strong correlation between supply chain management practices and organizational performance. Additionally, the study showed that all seven independent variables improve an organization's performance, with the largest effects being seen in customer interactions and strategic supplier management.

In the studies of Yap and Tan (2012), a total of five dimensions of service supply chain management practice were used to assess the effect of supply chain management on performance of the public health care in Malaysia. Results indicated that information and technology management demand management, customer relationship management, supplier relationship management, capacity and resource management were found to have significant and positive direct relationship with Supply chain performance and alliance network was found to have the mediation effect on the direct relationship.

Janatabadiet al. (2013) conducted their study with the objective of investigating the influence of enterprise resource planning adoption on Supply chain performance through supply chain management. The data required for this research was collected through surveys from 174 companies

in Malaysia. The findings indicated a positive effect of enterpriser's source planning on the supply chain which ultimately results in improved performance of the organizations under the study. Makena (2014) conducted a case study on Haco Industries Limited. (Kenya). While market/business and operational performance variables were used to measure organizational performance, strategic supplier partnerships, customer relationships, information sharing, and training practices were used as independent variables to examine the relationship between supply chain management practices and organizational performance. The main findings of the study demonstrated that SCM practices were successfully used at a high level within Haco Industries Ltd. and that they all increased the business's efficiency. To put it another way, they improved the organization's performance by cutting lead times, saving operating expenses, offering excellent customer service, and raising the caliber of its output.

Mustefa (2014) conducted a study on the relationship of supply chain management practices and firm performance in case of Awash Tannery P.L.C. The data were collected from employees of Awash Tannery. The research was based on five dimensions of SCM practice (strategic supplier partnership, customer relationship, level of information sharing quality, quality of information sharing and internal lean practice. The findings indicated a strong relationship between SCM practices, operational performance and Supply chain performance and shows.

Tirtngo (2013) conducted a survey study on challenges and prospects of Supply Chain Management in Ethiopian Leather Industry. A sample of 8 firms from Tanneries, Shoe Manufacturers, and Leather Goods and Garment producers located in Addis Ababa were taken and 384 questionnaires were distributed to end users/consumers. Both interview and questionnaire, in the form of closed and open ended, were used in the data collection. The questionnaires were rated using five points Likert Scale. For analyzing SCM practice, mean and standard deviation were used. To see the significant difference on SCM practices among firms, Analysis of Variance was used while Correlations were used to see the significant relationship between SCM Challenges and SCM dimensions.

The results show an average mean value which means, the practice of SCM is average. On the other hand, regarding, the SCM practice among firm, on some variables there is a significant difference whereas; on some variables there is no significant difference. On the other hand, there is no significant relationship between the SCM challenges and SCM dimensions. Based on these

facts, searching for potential market for raw materials, cooperation of all stakeholders, and establishment of consultative forum from firms and other stakeholders were recommended in this study. The study contributes significantly to academic as well as firms and policy makers.

Bogale (2016) conducted his research on organization performance and challenges of Anbessa shoe manufacturing company. The findings revealed the major challenges as low customer service quality, cost controlling problems, poor planning and risk management, supplier/partner relationship management, lack of skilled labor /expert and technology, shortage of raw materials, frequent machinery breakage, shortage of spare parts, lack of accessibility to market, lack of working capital and other management, shortage of inputs, poor production planning and control, low productivity, high manufacturing cost and lack of marketing strategy.

Solomon (2017) conducted a research to assess and investigate the effects of supply chain management practices on the operational performance of Ethio - telecom. the study adopted quantitative method and the relationships proposed in the framework were tested using descriptive and explanatory research method. Primary data were collected using Likert scale type questioner as measuring instrument. The data were analyzed using descriptive statistics, correlation and multiple regression analysis. The finding of the study indicated that supply chain management practices (strategic supplier partnership, customer relationship, information sharing, information quality and lean practices) have significantly affected the operational performance of Ethio telecom. According to the finding Worku.G, zerhun. An ET, al (2022), showed that the firm performance of the textile manufacturing sector is influenced by supply chain relationships, responsiveness, and integration-related factors, in that order. Furthermore, the most pressing problem in enhancing organizational performance nowadays is reactivity. It is therefore advised that managers and staff at the business respond to the customer's request right away. Additional another researcher came up with the following findings:

Most SCM on Addis Ababa garment factories practices are weakly practiced within the garment factories SC. whereas training practices, Information sharing with customers is poor. Based on both quantitative and qualitative analysis, the garment factories have the poor relationship with their customers, suppliers, and customers' services.

The supply chain integration problems in the Ethiopian garment factories have lack management's adequate knowledge of the SCM. Manufacturing, supply and demand uncertainties are

the major challenges of the garment factories that prohibits effective implementation of SCM. Customer response time, manufacturing lead-time and customer complaints handling performance were in the problem (Etenesh, Ejigu,2018). Based on the key findings of luel Mekonen in April 2021 in jay jay textile industry he summarized the main findings as non-usage of supply chain management as a competitive weapon, internal operational flexibility was the key for the success of supply chain performance. Furthermore, another study portrays that the textile sector in Ethiopia has many supply chain problems.

According to Rahel (2017), the major problems are absence of well-developed supplier-customer relationship, lack of access to international market information and technology, outdated processing facilities, lack of raw material and accessories, lack of paved roads, communication infrastructure, and internet services. According to Efreem Negash (2024), Finding reveals that SSCM substantially and positively impacts competitive advantage and organizational performance. Furthermore, statistical findings prove the connection between competitive advantage and organizational performance. Moreover, competitive advantage indirectly influences the relationship between SSCM and OP. The results suggest that successfully implementing SSCM can improve competitive advantage and Operational performance.

According to Birhanemeskel (2018), the four components of supply chain management practices customer relationships, the quantity and caliber of information exchange, and internal lean practices have a favorable and noteworthy effect on the performance of organizations. However, there is no statistically significant effect of strategic supplier partnerships on organizational performance. Therefore, long-term gains in marketing and financial performance can be attained by enhancing organizational performance.

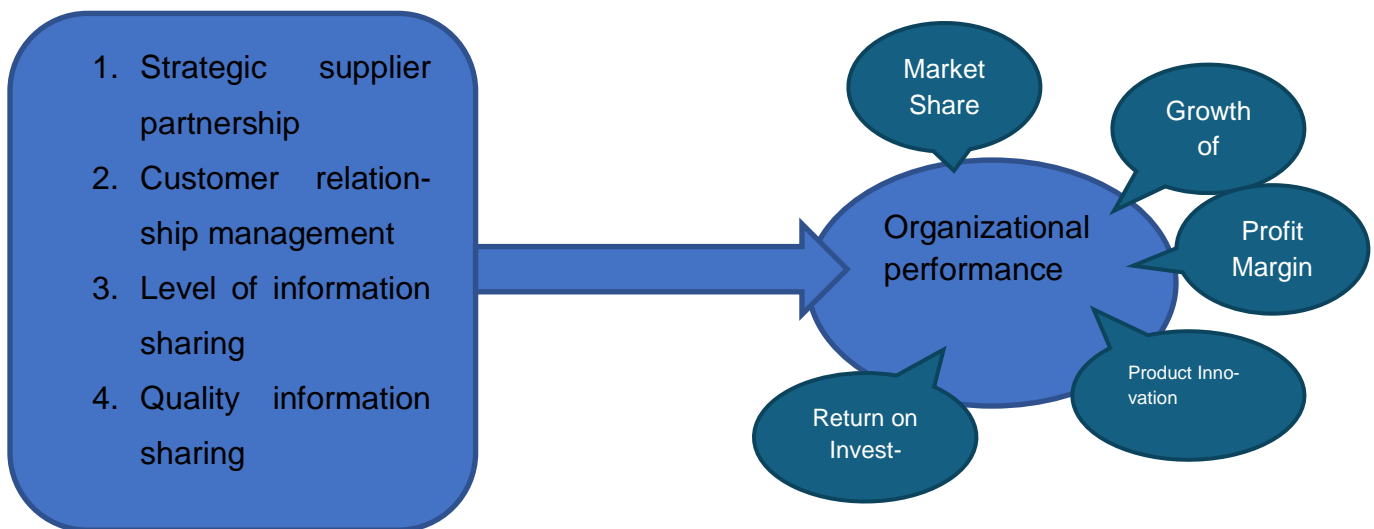
In general, it is evident from the literature analysis that scholars hold varying opinions regarding the supply chain management techniques that are essential to the functioning of organizations. The fact that various organizations value these techniques differently is evidenced by the fact that one firm may utilize a supply chain management technique extensively while another may use it sparingly or not at all. However, it is not possible to consider the relationship between SCM and performance to be definitive (Cousins et al., 2006). The use of various units of analysis, disparate approaches to performance measurement and disagreements over the definition and

dimensionality of the SCM construct compromise comparability, even though empirical research has increased in recent years (Mustefa, 2014)

2.10. Conceptual Framework

The researcher modified a research framework that included the following five dimensions of supply chain practices: strategic supplier partnership, customer relationship, level of information sharing, information quality, and internal lean practice. This was done in consideration of the various dimensions of supply chain practices and measurement of organizational performance proposed by several researchers, particularly the work of Li et al. (2006), Mustefa (2014), and Mwale (2014). The literature review model can be found below.

This conceptual framework illustrates the relationship between supply chain management practices and organizational performance. In this instance, the organizational performance of the MAA Garment factory is the dependent variable, and the independent variables are the strategic supplier partnership, customer relationship, level and quality of information sharing, and internal Lean practices. Each of these factors has the potential to have a positive or negative impact.



Source: Li et al (2006), Birhanemeskel (2018) and Mustefa (2014).

Chapter Three

Research Methodology

3.1. Background of the Organization

Kebire Enterprises, a privately-owned company established in April 2001 under the commercial laws of the Federal Democratic Republic of Ethiopia, is the parent company of MAA Garment and Textiles Factory, which commenced operations in June 2004 in Mekelle, Tigray. Fully owned by Kebire Enterprises PLC, MAA Garments is supported by a dynamic team of local staff alongside expatriates from Turkey, Pakistan, and the Philippines. The factory is equipped with state-of-the-art machinery and equipment from renowned manufacturers such as Juki, Brothers, and Myers & Cie. This advanced production setup positions MAA Garments as one of the leading apparel manufacturers not only in Ethiopia but also on the global stage.

Since its inception, Kebire Enterprises has gained significant recognition in the garment industry, with its products reflecting the company's energy and commitment to excellence. By implementing innovative methods and solutions within its production system, MAA Garments has successfully integrated into the international market while also addressing the needs of the domestic market. The company is dedicated to upgrading its infrastructure while prioritizing environmental and social responsibilities, ensuring that it meets its ultimate goals in a timely manner.

3.2. Data Source and Type

An only primary source of data was used in the study. The primary source of data was obtained from the selected sample respondents/employees of the MAA garment textile industry through structured questionnaires.

3.2.1. Population of the study

The target population was the permanent employees of MAA Garment Textile Industry who are involved in the supply chain management and was answer the research questions. The numbers of permanent employees were 759, which were considered as the total target population.

3.2.2. Unit of Analysis

The unit of analysis in the survey was the employees involved in the supply chain procedure of MAA garment textile Factory.

3.3. Research strategy and Design

A research design was providing a framework for the collection and analysis of data. A choice of research design was reflected decisions about the priority being given to expressing causal relations between variables and generalizing to larger groups of individuals than those actually forming part of the investigation (Leedy and Ormarod2wq, 2010). An explanatory approach was adopted for the study to indicate the cause-and-effect relationship between the dependent and independent variables of supply chain management practices and organization performance.

This method was used to obtain an accurate representation of the features of a particular situation and group. A cross-sectional survey design, which involves a single point in time, was adopted for the collection of data from the sample. A survey design was less costly and was likely being expected to produce honest responses owing to the anonymity of respondents compared to other designs.

3.4. Target populations and Sampling

The target populations of the study were the permanent employee of the company excluding secretaries, and guards. In the determination of sample size, the three criteria are very important to gather the required data from sample respondents. Therefore, the total numbers of employees are 759. Using (Yamane, 1967) statistical Formulae for Sample Size determination for finite populations,

$$n = \frac{N}{1+N(e)^2} \dots\dots\dots \text{Equation 1}$$

Where

n= is the sample size,

N=is the population size, and

e= is the level of precision at 95% of confidence interval (i.e. margin of error is 5%)

Then
$$n = \frac{759}{1+759(0.05^2)} = 261.949 \sim 262$$

Proportional sample size from each stratum is calculated by using the following formula

$$n_i = \frac{nN_i}{N} \dots\dots\dots \text{Equation (2)}$$

Where

n_i = sample size for each department

N_i = the total number of employees in each department,

N =the total number permanent employees

n = the total sample size

Accordingly, Table 3.1 here below shows the proportionate sample taken from each department's based on the above given formula.

Table 3.1 Population and sample size

NO.	List of Departments	No. population (Ni)	No. of sample size (ni)
1.	Supply chain manager	1	1
2.	Procurement officer	1	1
3.	Ware house staff	26	8
4.	Operational teams	2	1
5.	Production and quality	700	241
6.	Research and Development	9	3
7.	Suppliers??	8	3
8.	Distributer??	12	4
	Total	759	262

Based on Yamane (1967) approach, the sample in this study comprised 262 participants engaged in supply management practices from MAA garment textile Industry. These were including individuals who are qualified in any area related in the supply chain management such Supply chain manager, Procurement officer, Ware house staff, Operational teams, Production and quality and Research and Development, Suppliers, Distributer. The study employed departmental level stratified sampling technique then respondents were selected based on simple random sampling technique from each stratum to assure accuracy, from each group or list of departments respondents were selected by lottery method which is each member of the department have equal chance to be included in the sample and filter out weather to include or exclude depend on the lottery/chance.

3.5. Data Source and Type

An only primary source of data was used in the study. The primary source of data was obtained from the selected sample respondents/employees of the MAA garment textile industry through structured questionnaires.

3.6. Data Collection and Instruments

A 5-point Likert-type measurement scale anchored by 1 = strongly disagree and 5 = strongly agree was used, based on previous studies. Accordingly, supply chain dynamism was measured using four questions adapted from Zhou and Benton (2007); information sharing was assessed using six questions adapted from Li and Lin (2006); inter-organizational relationships was evaluated using five questions adapted from Li and Lin (2006); and organizational performance was gauged using five questions adapted from Green et al. (2012).

Among the independent variables are: Long-term cooperation with suppliers, as gauged by a 4-item scale (Zhou & Benton, 2007).

Model and Estimation Techniques

The study was using a multiple regression model to measure the level of significant relationship between the dependent and independent variables.

The model was presented as follows.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where:

Y = organizational performance

β_0 = Constant (value of Y when X1, X2, X3 and X4 = 0)

β_1 - β_4 = Regression coefficients

X1= Strategic supplier partnership

X2= Customer relationship management

X3= level of information sharing

X4= quality of information sharing

X5= Internal Lean practice

ε = the error

3.7. Ethical Considerations

In the course of undertaking research, there was a need for protection from harm, informed consent, the right to privacy, and honesty with professional colleagues (Leedy and Ormard, 2010). In this respect, participants in the study were selected with their consent to respond to the questionnaires, and they were having a clear understanding of the study's purpose. The researcher was ensuring that all information obtained during the study was kept confidential, and the data were used solely for its intended purpose.

Chapter Four

Result and Discussion

This study tries to identify the effect of supply chain practice on organizational performance in the case MAA Garment Company. To achieve this objective the researcher distributed 262 questionnaires to employees in Supply Chain practice related departments. 200 questionnaires were returned and analyzed with response rate 90.65%. In the first section elaborated demographic related findings, in the second section elaborated also the descriptive finding and lastly at the end the inferential analysis (correlation and multiple regression) findings were presented and discussed.

4.1. Response Rate

A total of 262 questionnaires were distributed to the respondents and the response rate is presented in

Table 4.1

Category	Frequency	Percentage
Response	200	76%
Non-response	62	24%
Total	262	100

Source: Research Data (2025)

The findings of Table 4.1 reveal that out of 262 questionnaires distributed 200 responded with a response rate of 76% and the non-responding participants added up to 24%. A response rate of 50% is adequate for analysis and reporting and 60% is good and 70% and above is excellent which are general guidelines for survey research (Mugenda & Mugenda, 2003).

Due to this statement, the total response rate of 91.8% was utilized satisfactory enough to enable us to make inferences for the research because it was representative.

4.2. Reliability of the Research Instrument

Pilot study (test pilot) was carried out by convenient sampling technique and with identical characteristics to the main study participants. The advantage of carrying out a pilot study are; it will help in detecting probable defects in measurement procedures, it helps one to recognize ambiguous items, and helps the researcher to get sensitive to nonverbal behavior that is likely to happen due to question wording. Therefore, the researcher tried to make the questionnaire reliable and valid.

In order to perform the reliability test, Cronbach's Alpha (α) is the most common scale reliability statistic and a value of more than 0.700 is extremely acceptable (Field, 2009; Cohen and Sayag, 2010) and by Cronbach's (1951), an alpha measure of reliability (α) of more than 0.600 is also acceptable.

Table 4.2 Reliability Test of Constructs

	No. of Items	Cronbach's Alpha if Item Deleted
Strategic Supplier partnership	6	.786
Customer relationship	5	.898
Level of Information sharing	5	.800
Quality information sharing	5	.820
Internal lean practice	5	.788
Organizational performance	7	.859
Over all variables	33	

Source: Survey result, 2025

The results of which shown on table 4.2, the Strategic Supplier partnership (SSP) was 0.786, Customer relationship (CRM) 0.898, the Level of Information sharing (LIS) 0.800, the Internal

Lean practice (ILP) 0.820, the Quality information sharing (QIS) and the Organizational performance (OP) 0.859. All the scales were higher than the suggested value of 0.5 (Nunnally & Bernstein, 1978). Therefore, the reliability measure (α) of all the items was higher than 0.700, then the responses obtained for all of the variables utilized in this study were reliable to analyze data.

4.3. Data Processing

Filled questionnaires were coded in excel and put inside SPSS version 27. This software was used to analyze data. Descriptive statistical analysis that was used to transform large amount of data into a form of summarizing frequencies, means and standard deviations As per the descriptive statistics the gathered data for each question and respondents were summed up and apart from this the researcher used multiple regression and correlation analysis with the help of this software package.

4.4. Descriptive Analysis

Here, in this analysis section, researcher has partitioned and describes it into two parts. First part is all about demographic information of the respondents so frequency and percentage utilized for analysis. The second part was directed towards the underlying questions that are utilized to achieve the perceptions and the attitude of the respondents towards supply chain practices i.e. strategic partnership with suppliers, customer relationship, quality information sharing, level information sharing and internal lean practices in the firm and also directed towards the employees' perceptions about the operation performance of the MAA Garment. Thus, in the analysis frequencies, percentage and standard deviation are used in order to represent the findings.

4.5. Demographic Data of the Respondents

The respondents' demographic profiles of the selected department (SCM and adjacent departments) of MAA Garment are provided in five parts of this survey. The first is respondents' gender of respondents, the second department, the third is employees' level (job title) of the organization, the fourth is respondents' educational level, and the last is their experience in the selected departments.

The first important factor on the demographic variable of respondents is gender of respondents with respective frequencies and percentages. Total 200 respondents participated in the study. Out

of these respondents 90 (45%) of the respondents were male and remaining 110 (55%) of the respondents were females, this reflects that greater percentage of employees in Supply Chain Management department are female.

The second important factor on the demographic variable of respondents is **departments**, Due to the employee's detailed involvement for the organization supply chain operating activity; the researcher has selected both two departments of employees as a respondent for this survey. The following table 4 depicts the frequency and the percentage of response in the selected departments. As can be seen on the table 4, the proportion of respondents on two selected unit is equal. 89% of them are form program unit and remaining 11% is form program support unit. That is, the responses received from them become more detail and end to end information for the survey. Therefore, the findings can be extended to the organization.

The third important factor on the demographic variable of respondents is the respondents' **employment level** (position at work) in the organization. In MAA Garment, there are different levels of employment and job positions from expert level (officer) to managerial level of ranking. The study found it essential to identify on the work area or work unit of the respondents in their organization. This was for the sake of identifying on the respondents' level of awareness and knowledge on the operational and organizational performance. Within this departmental category most of the respondents were in managerial position (2%). Section head (2.5%), Non-Managerial (95%) were the Administrative staff officer of the total valid respondents. With this kind of distribution, the researcher was satisfied that all areas were covered.

The below table 4, shows that the very few (2%) managerial positions were respond for this survey. However, and Non-Managerial employees of the selected departments of the company respond proportionally well to this survey. Out of 200 valid surveys, 4% of the questioners were from managerial position, 5% are from the supervisors and 95.5% are from the non-Managerial employees. It implies that as they possess detailed interaction on logistic and supply chain operation of the company, data gained from them are valid and useful for the study.

The fourth important factor on the demographic variable of respondents is Education levels helps to enable the respondents to consider issues that are related to the utilization of resources. This finding agreed with (Katz, 1992) finding that people who are more educated are more efficient since they have more knowledge and have modern managerial skills which enable them to

be more realistic about the work of business. As far as the education level of the respondents is concerned, a majority (10.5%) of the respondents had attained a High school level of education, (21%) respondents had attained a Certificate, (53.5%) respondents had attained a Diploma/TVET, (13.5%) respondents had attained a Bachelor Degree and below level of education and very few (1.5%) masters and above level. This is an indication that the respondents are well educated to understand what is happening in the company, hence capable of providing the accurate information. The result shows that the majorities of the employees are well educated and thus understand the effect of supply chain practice on the performance of the organization in MAA Garment organization.

The last important factor on the demographic variable of respondents is the respondents' important to note the **experience level** of the respondents in the study area for successful conduct of the survey. The following figure depicts the experience level of the respondents on selected departments. According to the table 4, nearly 45% of the respondents have over two years of experience in the Quality and production department. In detail, 45% of respondents have two up to five years of experience, 25.5% have five to ten years' experience and 18% of them have over ten years' experience. Yet, merely 11% of them have less than 2 years' experience. Therefore, it can be stated that they possess the capability to understand the supply chain practices their response will be accepted as reliable outcome.

Factor	Component	Frequency	Percent
Gender	Male	90	45.0
	Female	110	55.0
Department	supply chain manager	1	0.5
	procurement officer	1	0.5
	warehouse staff	8	4
	R and D department	2	1.0
	operational teams	2	1.0
	production and quality control Dep.t	178	89.0
	supply department	3	1.5
	Distributor	5	2.5
Job Position of the respondents	managerial position	4	2.0
	Section head	5	2.5
	Non-Managerial	191	95
Education of the respondents	High school	21	10.5
	Certificate	42	21.0
	Diploma	107	53.5
	Bachelor Degree	27	13.5
	Masters and above	3	1.5
Experience the respondents	Less than 2	22	11.0
	2-5	91	45.5
	5-10	51	25.5
	Above 10	36	18.0
	Total	200	100.0

Source: Survey, 2025

4.5. Supply Chain Practices

The first research objective tried to examine the practice of supply chain management implementation in MAA Garment organization. Different organizations carry out different supply chain practices depending on the activities which they are engaged in and also which SC practice will render more competitiveness to the firm. In this regard the perception of the respondents on the SC practices delineated in terms of strategic supplier partnership, customer relationship, internal lean practice, quality information sharing and level of information sharing practices of MAA Garment organization.

The respondents were asked about their practice of Supply chain practices implemented in the organization. As shown in the below table 4.8, shows the combined response of all five dependent variables mean and standard deviation result for each variable. These five variables indicate the degree of MAA Garment organization supply chain practice regarding supplier and customer relationship, way of information sharing throughout the supply chain, quality information and the organization internal lean efficiency level.

According to (Kumer, 2014), the average score less than 3.39 is low; the average score between 3.40 and 3.79 is moderate and the average score greater than 3.8 is high as shown in the table below

Table 4.5: Mean and Standard deviation Descriptive statistics results

Component	N	Mean	Std. Deviation
Strategic supplier partnership	200	3.0833	.65270
Customer Relationship Management	200	2.9270	.59821
Level of information sharing	200	3.0730	.79252
Quality of information sharing	200	3.1120	.77541
Internal lean practice	200	2.8750	.79228
Total	200	3.014	0.718

Source: Survey, 2025

As shown in Table 4.8, it is clear that the mean values of each variable ranged b/n 3.1120 to 2.8750. Amongst the four independent variables, Quality of information sharing has the maximum mean (3.1120) which is again followed by Strategic supplier partnership of the organization with a mean score of (3.0833) which is again followed by Level of information sharing (3.0730) But, Customer Relationship Management and Internal lean practice of the organization has the minimum with (2.9270) and (2.8750) respectively.

The average mean value of all the variables is **3.014** and it reflected because there exists a moderate and implies that fifty percent and more respondent agreed that supply chain practices positively practiced and in support of organizational performance enhancement through doing Quality of information sharing, Strategic supplier partnership, Level of information sharing, Customer Relationship Management and Internal lean practice good follow both upstream and downstream in the supply chain. As per literature review section proper internal lean practice, good customer relationship, building quality of information sharing, building Strategic supplier partnership and level of information sharing with companies are success keys.

4.6. Descriptive Analysis

Descriptive, regression and correlation analysis were used in this research to establish whether Effect of Supply Chain practice on organizational performance in MAA Garment Company exists. Descriptive analysis was to establish existence of supply chain practice in the firm. The researcher explained practices of supply chain of the firm and their sub-practices by using response of the employees working in different departments, compared with mean and standard deviation and depicted with the help of table

4.7. Strategic supplier partnership

The descriptive analysis of MAA Garment Company's strategic supplier partnership practices indicates that there is a combined level of involvement and performance in supplier relationships, as illustrated through the survey results, shows a moderate level of interaction with suppliers. The relatively low average score of 3.06 for "Quality is our first criterion in selecting suppliers" shows that quality is being given as medium a priority as it should receive in the supplier selection process. The relatively higher joint collaborative problem-solving effort is evidenced by the average score of 3.06 for "We regularly solve problems jointly with our suppliers," which is a

positive indicator of the partnership. The company's dedication to improving suppliers is shown with the mean score of 3.31, which displays some commitment towards product quality improvement. However, the involvement of suppliers in continuous improvement programs, with a mean of 2.60, portrays not favorable participation towards this factor. On the other hand, the medium scores on engaging suppliers in planning and goal-setting activities (3.11) and in new product development activities (3.37) reflect a missed opportunity for deeper integration of suppliers into strategic initiatives. Overall, the grand mean score of 3.085 for strategic supplier partnership reflects a moderate degree of effectiveness, which would imply that while good practices are being followed, there is sufficient room for improvement. Strengthening these alliances could lead to enhanced collaboration, innovation, and supply chain performance as a whole, which in turn would translate to the company's competitiveness in the market.

Table 4.6 Descriptive analysis of **supplier strategic partnership**

	N	Mean	Std. Deviation
Quality is our first criterion in selecting suppliers.	200	3.06	1.433
We regularly solve problems jointly with our suppliers	200	3.06	1.431
We have helped our suppliers to improve their product quality	200	3.31	1.541
We have continuous improvement programs that include our key suppliers	200	2.60	1.521
We include our key suppliers in our planning and goal setting activities	200	3.11	1.368
We actively involve our key suppliers in new product development processes	200	3.37	1.511
Strategic supplier partnership	200	3.085	1.4675

Scales: 1.00 – 1.49 = Very Low, 1.50 – 2.49 = Low, 2.50- 3.49 = Medium, 3.50 –4.49 = High, 4.50 – 5.00 = very High.

4.8. Customer Relationship management

The descriptive analysis of customer relationship management (CRM) in MAA Garment Company reveals some of the most notable characteristics of the company's interactions with its customers. Using a sample size of 200 respondents, mean scores reveal a generally positive but moderately engaged customer interaction model. The highest mean score of 3.30 indicates that the company facilitates customers' desire for effectively looking for assistance and the mean score of 3.29 indicates that the company actively sets future customer expectations. The mean scores of frequent interactions to set standards (2.92) and regular monitoring of customer relationships (3.15) indicate that there is potential for improvement, namely with maintaining constant communication and setting clear expectations for customers. The medium CRM mean score of 3.17 means that the practices of the company are in the middle, which signifies that while there is some ground for good customer relationships, there is a great need to improve.

The moderate performance in the practice of CRM further indicates that, while the company recognizes the importance of relationships with customers, there exists a need for greater strategic prioritization and utilization to achieve maximum returns from these relationships

Table 4.7 Descriptive analysis of Customer relationship

	N	Mean	Std. Deviation
We frequently interact with customers to set reliability responsiveness, and other standards for us	200	2.92	1.316
We frequently measure and evaluate customer satisfaction	200	3.19	1.411
We frequently determine future customer expectations	200	3.29	1.492
We facilitate customer`s ability to seek assistance from us	200	3.30	1.442
We periodically evaluate the importance of our relationship with our customers	200	3.15	1.394
Customer relationship management	200	3.17	1.411

Source: Survey, 2025

Scales: 1.00 – 1.49 = Very Low, 1.50 – 2.49 = Low, 2.50- 3.49 = Medium, 3.50 –4.49 = High, 4.50 – 5.00 = very High.

4.9. Level of Information Sharing

In MAA Garment Company's level of information sharing (LIS) practices is presented in Table 4.11 below using the respondents' mean and standard deviation. Respondents agree moderately that the company and supply chain partners inform one another about things or events that may occur to or affect each other with a relatively high mean score of 3.64. This indicates that there is an active policy of communicating important changes, which is needed to reduce disturbance and improve coordination. The mean score of 3.43 for sharing information to support business planning also indicates a reasonable level of collaborative planning across partners. But the mean of 3.02 for being kept fully informed about things that affect the business suggests that communication is not full or routine each time, which can hinder timely decision-making and responsiveness. The mean rate of 2.93 for notifying partners prior to changing needs suggests that the business does not always notify its altering needs on time, which can lead to misalignment in supply chain functions. Besides, the lowest mean score of 2.76 for obtaining proprietary information from supply chain partners indicates low trust or reluctance to share sensitive information. Overall, the average of overall LIS score 3.156 indicates a medium practice of information sharing among MAA Garment Company. This implies that while some aspects of communication and partnership coordination are practiced, the firm has to enhance the timely, profundity, and openness of information flows. Development in this area will bring about tighter supply chain integration, reduce uncertainties, and enable more strategic and coordinated decision-making.

Table 4.8 Descriptive Analysis for **Level of Information Sharing**

	N	Mean	Std. Deviation
We inform supply chain partners in advance of changing needs	200	2.93	1.223
Our supply chain partners share proprietary information with us.	200	2.76	1.404
Our supply Chain partners keep us fully informed about issues that affect our business	200	3.02	1.505
We and our supply chain partners exchange information that help establishment of business planning	200	3.43	1.542
We and our supply chain partners keep each other informed about events or changes that may affect the other partners	200	3.64	1.567
Level of Information Sharing	200	3.156	1.4482

Source: Survey, 2025

Scales: 1.00 – 1.49 = Very Low, 1.50 – 2.49 = Low, 2.50- 3.49 = Medium, 3.50 –4.49 = High, 4.50 – 5.00 = very High.

4.10. Quality Information Sharing

Level of practices of quality information exchange (QIE) of MAA Garment Company is demonstrated in Table 4.12 below with the application of the mean of responses and standard deviation. The respondents, as a whole, concur that the information exchanged between the company and its supply chain partners is adequate with a highest mean score of 3.56. This implies that the company is doing reasonably well in ensuring that the amount and relevance of exchanged information are adequate for needs in operations. However, the mean score of 2.90 on timely exchange of information reveals a lower rate of agreement, suggesting that there are delays in in-

formation exchange that can affect responsiveness and coordination in the supply chain in a negative manner. The degree of completeness of information conveyed averaged 3.37, which is a moderate but short of perfect level of comprehensiveness and elaboration in conveying details. Similarly, the mean measure of 3.11 for the accuracy of information suggests that information is predominantly accurate but still may have some discrepancies that prevent effective decision-making. Reliability of information received a medium rating of 3.31, indicating that the partners in the supply chain perceive the information to be partially reliable but not always. It is normally the case that the mean average rating for QIS is 3.26, reflecting a medium level of quality information sharing behavior. This indicates that while the company has taken initiatives to keep supply chain partners informed, the timeliness, accuracy, and reliability of information flow have to be enhanced. Reducing these gaps would result in improved coordination, faster decision making, and increased performance in the supply chain.

Table 4.9 Descriptive Analysis for **Quality Information sharing**

	N	Mean	Std. Deviation
Information exchange between our supply chain partners and us is timely	200	2.90	1.521
Information exchange between our supply chain partners and us is accurate	200	3.11	1.368
Information exchange between us and our supply chain partners is complete	200	3.37	1.511
Information exchange between us and our supply chain partners is adequate	200	3.56	1.431
Information exchange between us and our supply chain partners is reliable	200	3.31	1.541
Quality Information sharing	200	3.26	1.4744

Source: Survey, 2025

Scales: 1.00 – 1.49 = Very Low, 1.50 – 2.49 = Low, 2.50- 3.49 = Medium, 3.50 –4.49 = High, 4.50 – 5.00 = very High.

4.11. Internal Lean Practice

The internal lean practice (ILP) practice of MAA Garment Company is indicated in the next table by using the mean of response and standard deviation. Respondents strongly agree that the company has continuous quality improvement programs, and they have a fairly high mean of 3.79. This is an indication that MAA Garment places emphasis on continuously improving product and process quality, which is among the core principles of lean manufacturing. The mean response to training and skill provision for the aim of implementing lean practices is 3.14, indicating that employee capacity building occurs at a moderate level. This indicates that while training is available, it may not be thorough enough in addressing employees to fully enable them for lean adoption. The company's efforts to reduce process out-fit time counted a mean of 3.01, which is also in the medium range. This states that there is a moderate practice of minimizing downtime and maximizing working efficiency. The business practice of procuring in lots only as needed scored a mean of 3.03, which suggests that the company is out-practicing the JIT to some extent, but not necessarily completely. However, awareness of lean objectives and principles had the lowest mean of 2.67, which means employees are less informed or engaged with the lean philosophy. This lack of awareness can hinder the entire success of lean practice. In all, the average mean score being 3.13, internal lean practices in MAA Garment are moderately practiced. This reflects that while some lean elements exist—especially within the area of quality improvement—there is still a need for more staff participation, training, and sensitization to fully achieve the total benefits of lean operations.

Table 4.10 Descriptive Analysis for **Internal Lean Practice**

	N	Mean	Std. Deviation
Employees are provided with the necessary training and skills to implement lean practices.	200	3.14	1.382
The company reduces process set-up time (time required to prepare or rift equipment/workstation for production)	200	3.01	1.319
Firm buys products in smaller batches only when they are needed at the place where they are needed and exactly in the quantity required	200	3.03	1.374
The company has continuous quality improvement programs.	200	3.79	1.483
Employees of the organization are aware of lean objective and principles	200	2.67	1.973
Internal Lean Practices	200	3.128	1.5062

Source: Survey, 2025

Scales: 1.00 – 1.49 = Very Low, 1.50 – 2.49 = Low, 2.50- 3.49 = Medium, 3.50 –4.49 = High, 4.50 – 5.00 = very High.

4.12. Organizational Performance

The firm's performance in MAA Garment Company is presented below in Table 4.14 using the mean of the response and standard deviation. The respondents have a strong agreement that increased their textile sales rely on the firm's ability to build relationships with retailers and distributors with a mean of 3.87. This suggests that the firm recognizes the level played by distribution channels and the customer relationship in sales increases. Similarly, a mean of 3.84 for market growth compared to the competition indicates that the company is seen to be doing better in the aspect of gaining market share compared to their competition. Conversely, the mean of 3.02

for dependence on fabric quality and durability for market share gain indicates relatively moderate emphasis on product quality as a competitive strength. Likewise, the long-term return on investment was assigned a mean of 3.01, which indicates a moderate level of belief in the company's long-term financial performance and growth. The company's ability to maintain healthy margins by efficient sourcing scored a mean of 3.14, which indicates a medium-level practice in cost management. Improving textile quality through staff training scored 3.07, indicating that the staff is moderately qualified with quality improvement needs. A 3.41 rating on innovation through creativity as a culture reflects moderate product development and competitiveness. In general, a mean organizational performance rating of 3.33 would imply that the firm is performing at a medium level in key areas. This means that while MAA Garment is doing better on business growth and sales improvement, there is a scope for further increase in the focus on innovation, quality, cost leadership, and human resource development so as to enhance overall organizational performance.

Table 4.11 Descriptive Analysis for **Organization Performance**

	N	Mean	Std. De- viation
Our ability to increase market share in the textile industry is strongly dependent on the quality and durability of our fabrics	200	3.02	1.465
Sustained return on investment is crucial for the long-term stability and growth of our organization	200	3.01	1.319
Our organization has increased its market growth as compared to competitors.	200	3.84	1.168
Increased textile sales rely on our ability to build strong relationships with retailers and distributors	200	3.87	1.118
Improving the quality of our textile products is heavily dependent on the skills and training of our production staff.	200	3.07	1.418
Maintaining a healthy profit margin in our textile sales is dependent on efficient sourcing of raw materials at competitive prices.	200	3.14	1.425
Driving product innovation in our textile firm depends on fostering a culture of creativity and experimentation among our design and development teams	200	3.41	1.521
Organization Performance	200	3.33	1.55

Source: Survey, 2025

Scales: 1.00 – 1.49 = Very Low, 1.50 – 2.49 = Low, 2.50- 3.49 = Medium, 3.50 –4.49 = High, 4.50 – 5.00 = very High.

4.13. Correlation and Regression Analysis

4.13.1. Correlation Analysis of Variables

The second objective of this study is to establish the relationship between supply chain practice and organizational performance, to attain this relationship test was employed. Relationship test is used to show the association or relationship between the variables engaged the independent and dependent variables. Correlation coefficients (r) were computed based on Pearson's product moment and Pearson's correlation was utilized to determine the relationship between the independent and dependent variables. According to Andy (2006), the value of 0.1 to 0.29 small or weak correlations, 0.3 to 0.49 medium or moderate correlations, the value < 0.5 large or strong correlation & the value which zero represents that there is no correlation between variables. To determine whether there is correlation between supply chain practices and organizational performance in MAA Garment Organization. For testing this Pearson's correlation coefficient were utilized.

Table 12 Correlation Analysis

	OP	SSP	CRM	LIS	ILP
OP	1				
SSP	.665**	1			
CRM	.243**	.202**	1		
LIS	.848**	.893**	.565*	1	
QIS	.550**	.935**	.262**	.791*	1
ILP	.619**	.446**	.612**	.239**	.911**

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

As per above table 15 relationship between variables is such that all output of correlation is positive this indicates that between variables there is positive relationship. As per above table correlation output the relationship between and between variables is more than 0.5 this indicates that there is strong relationship between or between variables.

The result indicates that there is a strong correlation between Strategic supplier partnership and organizational performance with a Pearson correlation coefficient of 0.665 ($r=0.665$), customer relationship management and organizational performance with a Pearson correlation coefficient of 0.243 ($r=0.243$), level of information sharing and organizational performance with a Pearson correlation coefficient of 0.848 ($r=0.848$), Quality information sharing, 0.550 ($r=0.550$) and internal lean practice and organizational performance with a Pearson correlation coefficient of 0.619 ($r=0.619$) with the significance level 0.0005 is less than 0.01. This significant value shows that there is a true association between all independent variables & organizational performance of MAA Garment organization.

4.14. Regression Analysis

Prior to the application of multiple regressions, a part of the process is ensuring that the data can indeed be analyzed via multiple regressions. Thus, it is necessary because it is only worthwhile to apply multiple regressions if the data "passes" five assumptions that are mandatory for multiple regressions to provide us with a valid outcome.

4.14.1. Linearity assumption

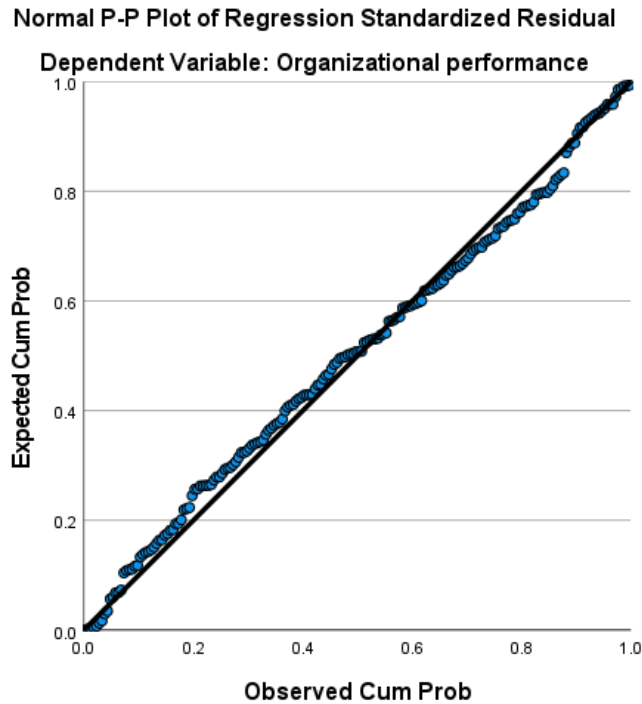
Linearity assumption is that the residuals should have a linear relationship with the predicted dependent variables scores. Linear relation between independent and dependent variables

This assumption could be tested to a fairly acceptable level by merely plotting scatter plots of the correlation between every explanatory variable and the outcome variable. You need to check that each scatter plot is depicting a linear relationship between variables (perhaps adding a regression line to help you with this). Or, at least, check the scatter plot of the predicted outcome against the actual outcome. The residual term considered here is the difference between outliers and influential cases a bit more (J, 2010).

The outlier with only influence impacts the line less but will have a hugely large residual (distance from regression line). The outlier influential case completely alters the regression line but may be harder to detect because the residual is minor - smaller than most of the others more typical points in reality. To observe the scatter plot, you can also use influence statistics (i.e., Cook's distance statistic) to identify points that may disproportionately influence the model (Wang, Rosner, & Goodman, 2016). if we look at the scatter plots below, the plot of the below graph reveals

that the residuals are normally distributed. Not normal if points for deviate from the diagonal line.

Figure 4.1: Linear Multiple Regression Assumption



Source, Survey data, 2025

4.14.2. Multicollinearity

Assumption of multicollinearity implies that independent variables should not be correlated with each other. That is, if they are highly correlated, then there is multicollinearity. High predictor-predictor correlation ($r > .85$) results in unstable regression model (J, 2010). From table 4.16 below, it can be seen that the correlations between explanatory variables, Strategic Supplier partnership, Customer relationship, level Information Sharing, Level of quality information sharing and Internal lean practice, are located below the correlation boundary line (i.e., .85) for all independent variables. a more precise way to check whether or not any given explanatory variable is strongly correlated with the other explanatory variables (a multicollinearity issue in the model), Tolerance and VIF (variance inflation factor) are the handy measures. For example, Tolerance <

.1 (10%) suggest multicollinearity, and VIF (variance inflation factor) > 10 also suggest multicollinearity. So, the VIF should be between 1-10, otherwise VIF <1 or >10 indicates the presence of multicollinearity (Ge, 2013). The table 4.8 below depicts that both the variance inflation factor (VIF) and tolerance are more than 10%, and less than 10 respectively.

Table 4.13: Multicollinearity statistics

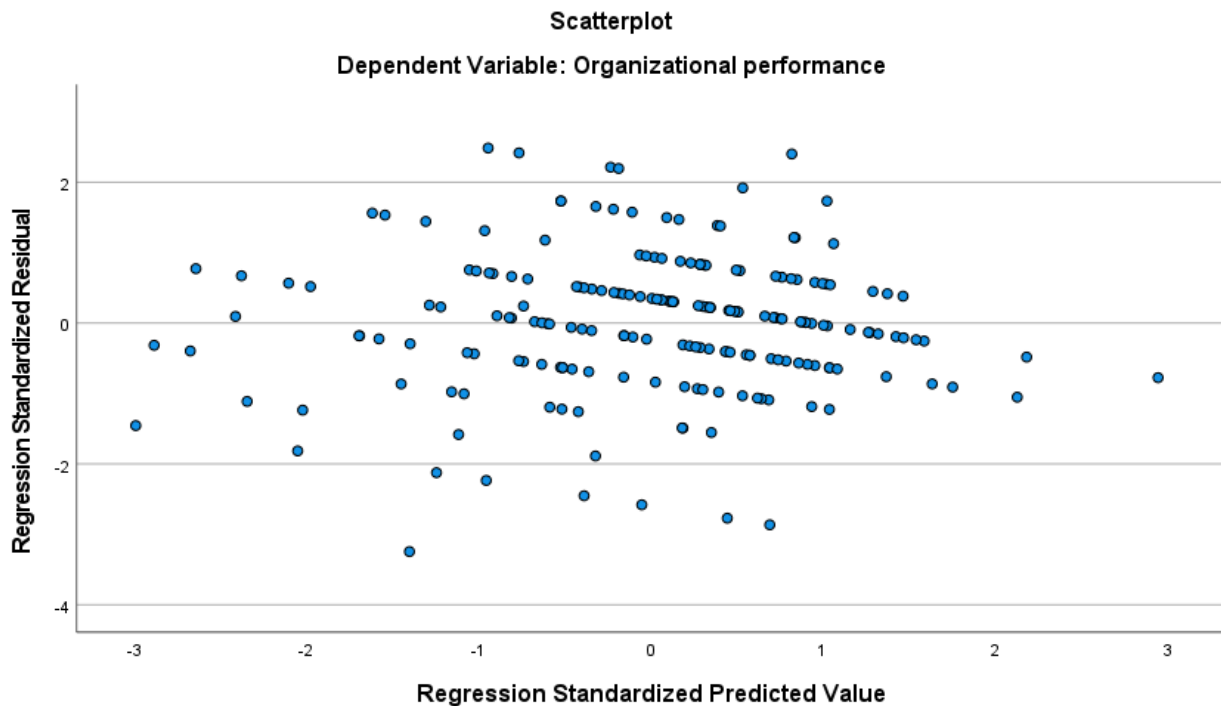
Model		Co linearity Statistics	
		Tolerance	VIF
	(Constant)	.304	3.290
	Strategic Supplier partnership	.562	1.160
	Customer Relationship management	.502	1.993
	Level of information sharing	.601	1.665
	Quality information sharing	.383	2.608
	Internal lean practice	.304	3.290

4.14.3. Homoscedasticity

In Homoscedasticity assumption, the variance of the error terms is the same for all the independent variables. The variance of the residual terms at all levels of the predictor variable(s) should be equal. This merely means that residuals at each level of the predictor(s) should have an equal variance (homoscedasticity); when the variances are hugely unequal there is heteroscedasticity (Field, 2009). According to the statistical solution (2025), in order to test the linear relationship assumption, Intellect's of the statistics plot of the standardized residuals versus the predicted y' values may indicate whether points fall evenly across all levels of the independent variables or otherwise. Biased standard errors lead to biased inference, thus results of hypothesis tests are possibly inaccurate. For easy analysis, we first plot *ZRESID (Y-axis) vs *ZPRED (X-axis) on SPSS because the plot comes in handy to determine if the assumption of random errors and homoscedasticity has been met (Field, 2009).

It can be checked that residuals do not systematically rely on the values of predictions by checking the residuals plotted against the values of predictions from the regression equation and looking for any sign that residuals are in any obvious pattern. See below fig. 4.2, data points appeared to be fairly randomly spread with fairly even distribution of residuals at all values of predictions.

Figure 4.2: Homoscedasticity Multiple Regression Assumption



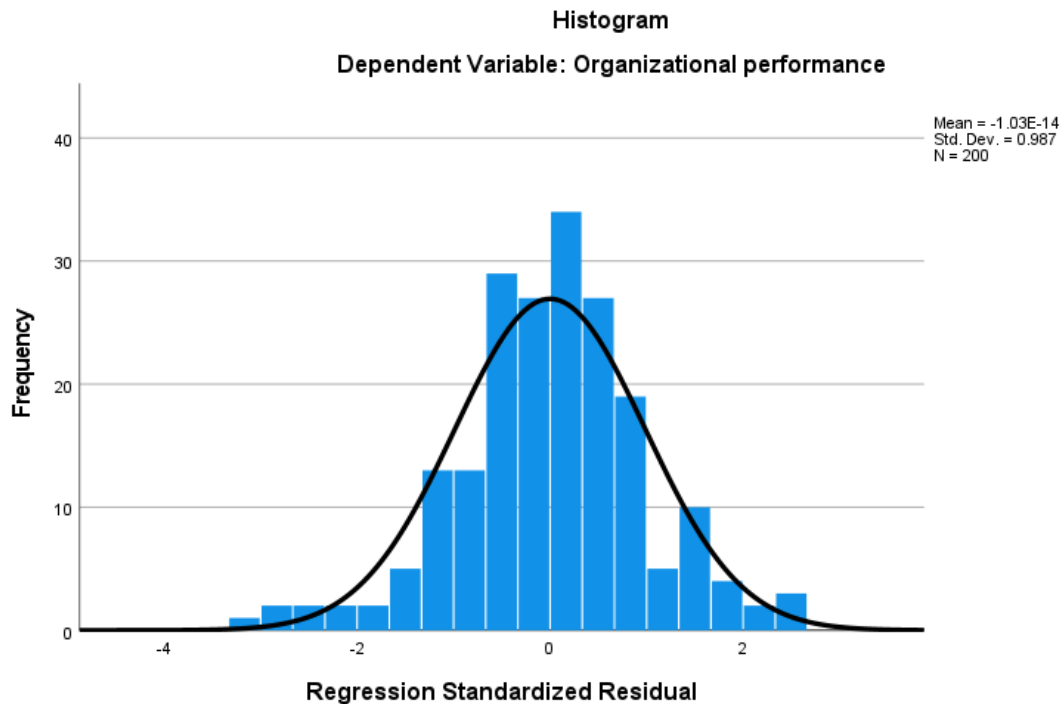
Source: Survey data, 2025

This scatter plot is one that shows what a scatter plot would look like if the assumption of homoscedasticity is met. The data points do seem to funnel towards both the negative of the x-axis, and towards the positive of x-axis indicating that there is the same amount of variability in the residuals at high predicted values and at low predicted values. This shows that our model is as good at predicting low values as it is at predicting high values.

4.14.4. Normally Distributed Residuals

A histogram of the residuals (errors) in a model can be used to confirm that the residuals are normally distributed around the predicted dependent variables scores. It is not necessarily simple

to determine whether the distribution is normal based on a histogram alone, however, and in any event, a P-P plot should be utilized as shown in the next figure 4.3.



Source: Survey data, 2025

As might have been seen from the following figure, the observed and expected cumulative probabilities are exactly matched. This shows that the residuals are exactly normally distributed. Therefore, in this survey result, the assumption of normality is not violated.

4.14.5. Autocorrelation Assumption Test

The Durbin-Watson statistic is a number that test for autocorrelation of residuals of a statistical regression analysis.

The Durban-Watson statistics always between 0 and 4

The figure 4.3 shows there is no autocorrelation in the study sample. Values close to 0 shows positive auto correlation and values close to 4 shows negative autocorrelation (Bryman, 1988)

Table 4.14: Durban-Watsun [Auto correlation assumption Test result]

Model	Durbin-Watson
1	.224
a. Predictors: (Constant), Customer Relationship, quality of information sharing, level of information sharing, Strategic supplier partnership, internal lean practice	
b. Dependent Variable: organizational performance	

Source: Own survey result, 2025

From table 4.17 it is revealed that the value Durbin-Watson Statistic result is **0.224** so, this research has tested for assumption of autocorrelation and it is not there from the above result. Thus, assumption of autocorrelation is met.

4.15. The Regression Results

Multiple liner regression model that were resulted by regressing organizational performance (OP) by the supply chain practice those involve four independent variables, which are Strategic supplier partnership (SSP), customer relationship (CR), level of information sharing (LIS), quality information sharing and the internal lean practice (ILP), Quality information sharing were examined and summarized.

4.15.1. The Effect of SCP on Organizational Performance

The third objective of this study is to examine the effect of supply chain practice on organizational performance since correlation cannot prove the existence of cause and effect since there might be a number of other unmeasured factors that might be correlated with one another and responsible for the observed relationship. Multiple regressions are not one technique but a collection of techniques that can be used to analyze the relationship between a single continuous dependent variable and many independent variables or predictors (Beech, 2006).

Multiple regression analysis was conducted to predict the relationship of supply chain practices (strategic supplier partnership (SSP), the customer relationship (CM), level of information sharing (LIS), and the internal lean practice (ILP), quality information sharing (QIS) with the organizational performance (OP) by using regression analysis. Model Summary table reflects the variance explained by each model. Whether the independent variables are a good predictor of dependent variable will be evident in the value in the Sig. F Change for this model. Observe that the value for the following model shows all independent variables entered. R is the correlation coefficient of the population and is between +1 and -1; 0 indicates no linear association; 1 indicates perfect positive linear association; -1 indicates perfect negative linear association (Ge, 2013).

Multiple correlation coefficient (R) is a measure of how close the relationship is between Y (in this case the organizational performance) and the four chosen predictor variables for addition to the equation as the supply chain practices i.e. SSP, CR, LIS, QIS and ILP. Large values of the multiple R indicate a high correspondence between the predicted value and actual value of the outcome. R is the correlation coefficient in the population, and it takes values from -1 to +1; 0 indicates no linear relationship; 1 indicates a perfect positive linear relation; -1 indicates a perfect negative linear relation (Ge, 2013). Adjusted R² is an indicator of loss of predictive ability or shrinkage in regression. The adjusted R² tells us the fraction of variation in the outcome that would be accounted for if the model had been created from the population from which the sample was taken Adjusted R-squared will always be less than R-squared, but only so unless you are trying to estimate too many coefficients from too small a sample with too high a level of noise.

Table 4.15 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.809^a	.654	.645	.30387	.224

a. Predictors: (Constant), SSP, CRM, LIS, QIS, ILP.
--

b. Dependent Variable: organizational performance

Model Summary

Source: Survey result, 2025

According to the finding on SPSS generated data above table 4.18, shows that there exists a correlation of 80.9% between observed organizational performance and predicted organizational performance. Therefore; from this finding, it can be interpreted as there is high correlation of observed organizational performance and predicted performance of the organization. **R²** is also known as the coefficient of determination, it is the proportion of variance in the dependent variable (organizational performance) which can be explained by variation in the independent variables, it is the percentage of the variance explained by the model; which implies the extent to which organizational performance changes with change in supply chain practices, strategic supplier relation, the customer relation, quality information sharing, level information sharing and the internal lean practice.

The outcome shows that, the independent variables (relation Strategic with the supplier, the quality information sharing, with the customer relation, level information sharing and the internal lean practice) of study, explain only **65.4%** performance of the organization, in the case of MAA Garment.

Organization as presented by the R². Therefore, this shows that another supply chain management factor not studied in this study contributes **36%** to organizational performance. Therefore, more research should be conducted to study the others supply chain practice aspects (**36%**) that have influence for organizational performance

Table 4.16: ANOVA Output SPSS

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	35.921	5	7.184	70.959	.000b
Residual	19.642	194	.101		
Total	55.563	199			
a. Predictors: (constant), SSP, CRM, LIS, QIS, ILP					
b. Dependent variable: Organizational performance					

Source: Survey result, 2025

The results of the aforementioned table 4.16 showed that the model's significance value is p.005; which is less than the significance level of 0.005 when at a confidence level of 95%, thus the model is significant statistically in describing how the Strategic supply relationship (SSP), the customer relationship (CM), Level of information sharing (LIS), Quality of information sharing (QIS) and internal lean practice (ILP) affect the performance of the organization. Since this value calculated for F is greater than the F critical (value =70.959), at 5% significance level, it shows that the overall model is significant.

Table 4.17: Coefficients Output SPSS

Model	Unstandardized B	Coefficients Std. Error	Standard- ized Coeffi- cients Beta	T	Sig.
(Constant)	.283	.177		2.597	.002
Strategic supply relationship	.283	.040	.362	7.140	.000
customer relationship	.397	.044	.466	8.946	.000
level information sharing	.100	.031	.155	3.260	.001
Quality of information shar- ing	.104	.030	.158	3.460	.001
Internal lean practice	.095	.029	.148	3.258	.001
a. Dependent variable: Organizational performance					

Source: Survey result, 2025

The regression coefficient is the independent variable associated with it is contributing significance to the variance accounted for in the dependent variable.

$$Y = B_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \dots + \beta_k X + e_i$$

Where:

Y = Organizational Performance of MAA Garment

B₀ = Point of Intercept

X_k = Supply chain practices element in MAA Garment

B_k = Slope of the line

ei= Error term

From the findings in the above table 4.13, the regression equation is:

$$Y = 0.283 + 0.283*SSR + 0.397*CRM + 0.100*LIS + 0.104*QIS + 0.095*ILP + e_i$$

Where, SP= Strategic Supplier relationship, CR= Customer Relationship management, LIS= Level of information sharing QIS = quality information sharing and ILP= Internal lean practice

Based on linear regression analysis, the table above reveals the Effect of each supply chain practice element, i.e. the Effect of Customer relationship management, Strategic Supplier relationship; internal lean practice, quality information sharing and, level of information sharing on organizational performance of MAA Garment are **0.283, 0.397, 0.100, 0.104** and **0.095**, respectively. By examining this β weight of data analysis result and level of significant, the finding shows that, customer relationship, Strategic Supplier relationship and quality information sharing have greater effect on the organizational performance of MAA Garment on the other hand Internal lean practice and level of information sharing was not that much effect on organizational performance. And this implies that the predicted change in the dependent variable for every unit increase in that particular predictor. For instance, a one unit increase in strategic supplier relationship is associated with a 0.283 unit increase in organizational performance and a one unit increase in customer relationship management lead to 0.397 unit increases in organizational performance and a one unit increase in quality information sharing lead to 0.104 unit increases in organizational performance

This signifies a one percent increase in the value of strategic supplier partnership; the organizational performance of MAA Garment will increase by **28.3** percent provided that other variables remain constant the same is true for other variables for Customer relationship, information sharing and internal operation of MAA Garment. Therefore, we can conclude that Strategic Supplier partnership, Customer relationship management, level of information sharing quality information sharing and internal lean practice have statistically significant effect on MAA Garment organizational performance. On the other hand, the β value of Strategic Supplier relationship, Customer relationship management, level of information sharing, quality information sharing and internal lean practice is **0.283, 0.397, 0.100, 0.104** and **0.095** respectively and the significance level is greater than 0.05. Hence all predictors have positive coefficients, suggesting that improvements

in each area are associated with better organizational performance. Therefore, we can conclude that these independent variables have a significant effect on organizational performance of MAA Garment.

A 1-unit increase in Strategic Supplier Management is associated with a 0.283 unit increase in Organizational performance.

A 1-unit increase in Customer Relationship Management leads to a 0.397 unit increase in Organizational performance — the strongest effect among the predictors.

All predictors have positive coefficients, suggesting that improvements in each area are associated with better organizational performance.

The primary purpose of this research was to test the effect of the adoption of supply chain practice on organizational performance by applying statistical analysis; both descriptive and inferential statistics. One survey tool instrument (questionnaire) was created and distributed among the staff working for MAA Garment organization. Then, the result of descriptive analysis indicates that the organization is following supply chain practices (Strategic supplier relationship, customer relationship management, level of information sharing, quality information sharing and internal lean practices).

The inferential analysis results of this study confirm that the independent variables, Strategic supplier relationship, customer relationship, level of information sharing, quality information sharing and internal lean practices are positively correlated with organizational performance when the Pearson correlation coefficients are computed.

Chapter Five

Summary of Major Findings, Conclusion, and Recommendations

5.1. Summary of Major Findings

This study was conducted with objective of identifying effect of supply chain practice on performance of organization in the case of MAA Garment Company. As per the objectives here are the major findings of the study: Demographic description of respondents of the company shows that most of the respondents are female (55%). Also, most of the respondents belong to Production and quality control department (89%). The respondents are highly educated with most of the respondents possessing degree and above. Furthermore, the research findings suggest that the respondents have been employed in the organization more than 2–5 years and the majority of them in Non-managerial position. Descriptive analysis result shows that SSP has mean 3.085 and S.D 1.4675, CRM has mean 3.17 and S.D 1.411, LIS has mean 3.156 and S.D 1.4482 and QIS has mean 3.26 and S.D 1.474 and ILP 3.128 and S.D 1.5062. The average values of all variables are moderate level for contributing to the improvement of organizational performance.

The findings derived from the Pearson correlation analysis results showed that there exists a very high positive and significant correlation among the aggregate SCP (SSP, CRM, LIS, QIS and ILP,) and the organizational performance of MAA Garment Company with the values of (0.665, 0.243, 0.848, 0.550, 0.619 at $p=0.0005$) respectively.

In this study, as regards analytical tests, the study utilized Multicollinearity test, normality tests, Homoscedasticity test and linearity. As regards multicollinearity test, the value of VIF was below 10 and tolerance statistics was above 0.1 (10%). The test result showed that, there is no multicollinearity issue in the employed regression model in this study among predictors. On the other hand, the data used in this study were normally distributed according to the criteria of Skewness and kurtosis values between -2 and +2. (i.e. lie between -1.092 and 1.086).

The result of regression showed that $R=0.809$ and $R^2=0.654$, which implied that SCM practices have a very strong linear relationship with the organizational performance of MAA Garment company. Therefore, from the result of analysis, it was discovered that SCM practices as independent variables explained **65.4%** of the variance of the dependent variable being the organizational performance of MAA Garment. The ANOVA (F- Test) results clearly proved that the multiple regression model used in this study is statistically significant to describe the relationship between independent variables and the dependent variable, i.e., it is a valid prediction model to describe SCM practices and operational performance.

Regarding the topic of unstandardized Beta Coefficients of this research that was presented, the maximum influence was customer relationships management (beta value 0.397) followed by strategic supplier partnership (beta value 0.283), followed by quality of information sharing and level of information sharing (beta 0.104 & 0 .100) respectively. Lastly, internal lean practice has (beta value 0.095). This concluded that customer relationship management significantly explains the operational performance of the company to a great extent. Generally, coefficients of regression analysis indicated that the variables (SSP, CRM, LIS QIS and ILP) were all significant in explaining the variances of organizational performance of the firm.

5.2. Conclusion of the study

Based on the research objectives, analysis of the data and finding of the study the following conclusion are drawn. The study indicated that supply chain practice has a positive and significant effect on an organization's performance. Improved supply chain practice allows an organization to achieve greater performance by implementing more supply chain practice. Instruments were used to support by scientific methods such as Pearson correlation & multiple regression analysis and support by empirical reviews. Strategic supplier alliance one by one helps organizations to enhance their performance by focusing on a few and very important suppliers.

Customer relationship is another dimension in boosting the performance of the organization by establishing a positive relationship with customers which creates loyalty, repeat purchase, and accepts higher prices that increase market share. Moreover, level of information and quality information sharing positively and significantly affect organizational performance. Thus happens with the areas of lowering costs of doing business and responsiveness to market and general environmental dynamisms. Internal lean practice, on the other hand, positively and significant influence company performance and this highlights the importance of efficient internal processes in driving organizational success.

Correlation results of all the variables is moderately positive & Strategic supplier alliance shows highest value of correlation result, which indicates organization performance, has strong influence by Strategic supplier alliance and Internal lean practice activity.

Regression value also indicates customer relationship management; Strategic supplier alliance and quality information sharing, level of information sharing and internal lean practice are strong and significant relationship with organizational performance in MAA Garment organization.

5.3. Recommendations

Based on the findings and conclusions, the researcher offers the following recommendations:

- MAA Garment should implement a Strategic Supplier Partnership Program by prioritizing raw material suppliers and establishing formal selection criteria that emphasize quality, cost competitiveness, and delivery reliability. The company should sign long term contracts with these suppliers to secure stable pricing and consistent quality. Additionally, MAA Garment should conduct quarterly performance reviews, collaborate on reducing defects, and integrate a supplier portal for real-time inventory tracking to cut lead times. Negotiating volume discounts and exploring consignment stock arrangements can further reduce procurement costs.
- MAA Garment highlight also find modern means to provide and receive times, accurate, complete, adequate and reliable information from trading partners as these are keys to improved organizational performance. In addition to the traditional means of business communication, the company must depend on fast and reliable means of communication such as the Internet based applications.

To enhance organizational performance, MAA Garment should establish a structured process for collecting and analyzing customer feedback through regular surveys, online reviews, and direct communication channels. This data should then be used to identify gaps between customer expectations and current offerings, enabling targeted improvements in product design and service delivery. By acting on these insights-such as adjusting product features, improving response times, and personalizing customer interactions-the company can boost customer satisfaction, strengthen loyalty, and ultimately increase sales.

5.4. Recommendation of Further Studies

Though this study contributes significantly to scholarly research and practices, it also has some limitations which provide opportunities for further research. In the first place, the researcher conducted this study based on MAA Garment Company and thus the findings are more relevant in the context of this company. Future research can address this issue in other companies or conduct cross-firm studies. Second, the study used a cross-sectional design and cannot account for the lag time or long-term effects of supply chain practices on performance. Therefore, future studies can conduct longitudinal studies with a view to investigating the causal relationship between supply chain practices and organizational performance. Thirdly, the research only examined the moderating effect on the relationship between supply chain practices and organizational performance. Future studies can investigate the causal effects of competitive strategies on the qualitative dimensions of supply chain practice. For example, they could examine what kinds of supply chain practices, such as information sharing forms, should be emphasized under what strategies. Finally, by focusing on the firm, the researcher painted a general picture of the relationship between supply chain practices and organizational performance. That relationship, however, could vary across firms, industries or geographies. Future studies must investigate the effect of these contextual variables on supply chain practices and organization, competitive strategies.

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Annex: Questionnaire of the Survey

MEKELL UNIVERSITY



COLLEGE OF BUSINES ANDECONOMICS

School of management Department of Management Postgraduate Program (MBA)

“THE EFFECT OF SUPPLY CHAIN PRACTICES ON ORGANIZATIONAL PERFORMANCE” (THE CASE OF MAA GARMENT)

A RESEARCH PROPOSAL SUBMITTED TO THE SCHOOL OF MANAGEMENT IN PARTIAL FULLFILLMENT OF FOR THE REQUIREMENTS FOR THE DEGREE OF MBA

BY: MEDHIN REDAE GIRMAY

ID NO: CBE/MBAR/00003/16

Advisor: Mearg Tesfay (Assistant Professor, MBA)

March, 2025 MEKELLE, TIGRAY

Questionnaire

Dear Respondent,

This questionnaire is designed for the purpose of gathering information on the study under title. This study is being carried out as a requirement in partial fulfillment for aware “**THE EFFECT OF SUPPLY CHAIN PRACTICES ON ORGANAZATIONAL PERFORMANCE**” (THE CASE OF MAA GARMENT). the Degree of Master in business Administration (MBA). Please note that, the study is purely for academic purpose towards the attainment of the above purpose and thus not affects you in any case. You are hereby assured that the information was treated with the strict confidence. No one other than the researcher will see your completed questionnaire. Therefore, your genuine, frank and timely response is vital for fruitfulness of the study.

General Instructions:

- ▶ No need to write your name.
- ▶ please make tick mark (√) in the appropriate box provided.

Contact Address

If you have any query, please do not hesitate to contact me and I am available as per your Convenience at (Mobile: 0942085528 or e-mail: medhin0942@gmail.com)

Thank you in advance for your cooperation!!!

A: SOCIO-DEMOGRAPHIC INFORMATION

Respondent's Profile:

1. Sex: Male Female
2. Educational Level: High school complete Certificate College diploma
First Degree Second Degree and above
3. Current Position/ Title in the company: Managerial position Section Head
Non-managerial position

4. **Work experience in this company:** Under 2 years 2–5 years

6–10 years over 10 year’s

5. **Department/work unit** 1. Supply chain manager. 4. R & D Dept.

2. Procurement officer. 5. Operational teams.

3. Ware house staff. 6. Production & Quality Control Dept.

7. Supplies Dept. 8. Distributer.

PART II: Items ON “THE EFFECT OF SUPPLY CHAIN PRACTICES ON ORGANITATIONAL PROFORMANCE”.

Please make judgment about a specific issues or statement in the company context, which was measured on a scale, **Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree**. Please make a tick mark (√) under the appropriate number to indicate the extent to which you agree or disagree with each statement.

1. Items on Strategic supplier partnership						
No.	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Quality is our first criterion in selecting suppliers.					
2.	We regularly solve problems jointly with our suppliers					
3.	We have helped our suppliers to improve their product quality					
4.	We have continuous improvement programs that include our key suppli-					

	ers					
5.	We include our key suppliers in our planning and goal setting activities					
6.	We actively involve our key suppliers in new product development processes					

2. Items on Customer Relationship Management (CRM)

No.	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	We frequently interact with customers to set reliability responsiveness, and other standards for us					
2.	We frequently measure and evaluate customer satisfaction					
3.	We frequently determine future customer expectations					
4.	We facilitate customer's ability to seek assistance from us					
5.	We periodically evaluate the importance of our relationship with our customers					

3. Items on Level of Information Sharing

N0.	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1.	We inform supply chain partners in advance of changing needs					
2.	Our supply chain partners share proprietary information with us.					
3.	Our supply Chain partners keep us fully informed about issues that affect our business					
4.	We and our supply chain partners exchange information that help establishment of business planning					
5.	We and our supply chain partners keep each other informed about events or changes that may affect the other partners					
4. Items on Level of information quality						
N0.	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Information exchange between our supply chain partners and us is timely					
2.	Information exchange between our supply chain partners and us is ac-					

	curate					
3.	Information exchange between us and our supply chain partners is complete					
4.	Information exchange between us and our supply chain partners is adequate					
5.	Information exchange between us and our supply chain partners is reliable					

5. Items on Internal lean practices						
N o .	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1 .	Employees are provided with the necessary training and skills to implement lean practices.					
2 .	The company reduces process set-up time (time required to prepare or rift equipment/workstation for production)					
3 .	Firm buys products in smaller batches only when they are needed at the place where they are needed and exactly in the quantity					

	required.					
4	The company has continuous quality improvement programs.					
5	Employees of the organization are aware of lean objective and principles.					

SECTION C

To establish the relationship between supply chain practices on organization performance, Please tick the numbers which best indicate whether the various supply chain management practices adopted by your firms' impact the various aspects of organizations performance.

Organization performance: how well an organization achieves its market-oriented goals as well as its financial goals						
No.	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Our ability to increase market share in the textile industry is strongly dependent on the quality and durability of our fabrics. ??					
2.	Sustained return on investment is crucial for the long-term stability and growth of our organization. ??					
3.	Our organization has increased its market growth as compared to com-					

	petitors. ??					
4.	Increased textile sales rely on our ability to build strong relationships with retailers and distributors.					
5.	Improving the quality of our textile products is heavily dependent on the skills and training of our production staff.					
6.	Maintaining a healthy profit margin in our textile sales is dependent on efficient sourcing of raw materials at competitive prices.					
7.	Driving product innovation in our textile firm depends on fostering a culture of creativity and experimentation among our design and development teams.					

Any comment or suggestion you might have
