

EFFECT OF INVENTORY MANAGEMENT PRACTICES ON OPERATIONAL PERFORMANCE OF NIGERIA BREWERIES PLC, KADUNA STATE

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Abstract

This paper examines the effect of inventory management practice on operational performance of Nigeria Breweries Company, Kaduna State. A descriptive and survey research design was adopted for the study. The study has a population size of 130 staff, out of which a sample size of 97 was realized using Krejcie and Morgan's table for sample determination. Structured questionnaire was the primary instrument used for data collection. Out of the 97 copies of questionnaire administered to the respondents only 89 copies of the questionnaire were returned while 8 were not returned. Data collected were analysed using multiple regression statistical tools with the aid of SPSS version 23. Findings from the study show that, inventory management practised by Nigeria Breweries Company has significantly affected their operational performance through operational efficiency, customer satisfaction and high productivity. This indicates that there is a correlation between good inventory management practice and operational performance of Nigeria Breweries. The study confirmed that inventory management is essential in the operation of any manufacturing company. The study recommends among others that, Management of Nigeria Breweries Company should put in place strong stock control measures through the use of multiple records keeping of stock values at each stage of their operation. This will help management to immediately dictate stock discrepancies which will guide against inventory shrinkage.

Keywords: Inventory Management, Operational efficiency, Operational Performance.

Introduction

Every manufacturing company heavily relies on its operational efficiency which is a direct function of operational performance. In today's business competitive environment, organizations strive hard to maintain operational efficiency that will earn them competitive advantages over their competitors.

In the words of Nasra, (2010) operational efficiency is the ability of an organization to satisfy its customers diligently with products or services in a more cost effective manner and at the same time ensuring quality of the products and services are not compromised. In essence, operational efficiency is the bedrock of operational performance.

According to Sale (2015), operational efficiency is measures and strategies usually adopted by organization in order to satisfy customers, improve level of profitability, achieve competitive

advantage etc. One of these measures as argued by Saleh, (2015) is inventory management practice. According to Takim, (2014) an effective inventory management practice has strong tendency of improving organizational performance. Hence, organisations particularly manufacturing companies around the globe are committing their hard earned resources and time towards developing good inventory practices that will guarantee operational efficiency. This justifies why most manufacturing companies in Nigeria particularly Nigerian Breweries Company have focused their attention on good inventory management practices which has increased their operational efficiency in the area of profit maximization.

Despite their effort towards attaining high operational efficiency, most manufacturing companies in Nigeria have not really improved on their inventory management practices as such, they are still confronted with issues like; out of stocks commodity, leading to dissatisfied customers which has become a problem in manufacturing companies in Nigerian. According to Nyabwnga and Ojera (2016) Manufacturing companies are bedeviled with the problem of out of stock commodity in Nigeria, this is a great problem for the customer and the organization. The continued search for such out of stock commodity by the customer will eventually stop if they cannot access the commodity while, for the organization, continued out of stock will affect their performance negatively.

Poor supplier partnership relations which has hindered timely acquisition of raw materials in manufacturing companies is another issue, lack of proper and timely communication between customers and suppliers of raw materials hinders effective and efficient production of goods and services that meet consumers' needs at the right time. This also affects organizational performance which, according to Brownell (2015) is a major problem faced by manufacturing companies in Nigeria.

Also, Nwachukwu, Odo and Nwachukwu, (2016) observed that, too much investment in inventory has greater possibility of tying up capital which could be injected into other useful business activities. However, lack of proper investment in inventories has hindered most manufacturing companies in Nigeria from achieving higher operational performance such like, high sales, profit maximization etc.

Finally, the issue of inventory shrinkage has remained an unresolved problem amongst most manufacturing companies in Nigeria. This according to Njoku and Kalu (2015) can be attributed to lack of proper utilization of materials and operational challenges which has remained unresolved. This justifies why most companies in Nigeria hardly satisfy their teaming customers. Most studies in the area of inventory management are yet to examine the level at which inventory shrinkage affects customers' satisfaction in Nigerian's manufacturing industry. This limitation certainly calls for more studies with the view of identifying and addressing the issue.

In view of these existing challenges bedeviling operational performances of manufacturing companies in Nigeria, this study seeks to investigate the effect of good inventory management practices on operational performance of Nigeria Breweries Company, Kaduna. The major objective of the study is to determine the effect of inventory management practices on organizational performance.

The null hypotheses of the study were formulated in accordance with the above set out objective.

- i. H_0 : Strategic supplier partnership does not have significant effect on operational performance in Nigeria Breweries Plc, Kaduna State.

- ii. H_0 : Inventory shrinkage does not have significant effect on operational performance of Nigeria Breweries Plc, Kaduna State.
- iii. H_0 : Inventory investment does not have significant effect on operational performance of Nigeria Breweries Plc, Kaduna State.
- iv. H_0 : Application of ICT does not have significant effect on operational performance of Nigeria Breweries Plc, Kaduna

Literature Review

From the standpoint of inventory management practices, the study used the following proxies such as; strategic supplier partnership, inventory shrinkage, inventory investment and application of ICT as determinants for good inventory management practice. While, operational performance as suggested by Saleh, (2015) as customer satisfaction, operational efficiency and productivity is adopted for this study.

Concept of Operational Performance

Operational performance can be described as a firm's performance measured against output results from production activities that allow examination and comparison to goals, standard or prescribed indicators of efficiency and effectiveness (Waruiru & Kagiri, 2013). Performance has been categorized into financial and non-financial performance. Mwangi, (2013) explains measurement as a numeric value that expresses input, output and performance dimensions of all the organisation's activities.

The traditional way of measuring the performance of a firm is through return on investment (ROI), return on sales (ROS), cash flow (CF) and net profit (NP) which are regarded as financial measures while, operational performance is commonly used to measure organisation's performance which is regarded as non-financial measures. According to Voss, Ahlstrom and Blackmon (1997) operational performance is the measurable facet of a firm's system. Similarly, Takim (2014) described operational performance as organisation's performance when compared to all the prescribed standards and goals set by the organization.

Furthermore, Ferdows and Demayer (1990) outline some major performance indices on the basis of cost, reliability and speed. Also, Jiang, Frazier and Prater (2006) presented some set of performance indices that could be used to study firms. They categorized firm performance into three major types namely; profitability, productivity and cost reduction. Therefore, it is necessary for organization to examine those essential factors that determine the overall business success of their organization.

In view of the nature of this study with its emphasis on production management, the study considered previous researcher's suggestions in the area of production management so as to identify the various dimensions used for operational performance. In this study, performance is measured using non-financial factors while, operational performance adopted by this study is represented by operational efficiency, productivity and customer satisfaction which are considered as the major proxies for operational performance.

Strategic Supplier Partnership

There is a long term relationship that exists between customers and suppliers which is built on mutual understanding which allows each party to achieve its objectives. According to Lysons and Gillingham (2003), strategic partnering is a situation where two or more firms arranged to work together to achieve their global goals. The main purpose is for suppliers and customers to

establish and maintain a good working relationship. Strategic supplier partnering is a modern concept that came into being in the early 1980s, as a result of the emergency of just-in-time (JIT) delivery technique, which was an innovation in the area of inventory management system of manufacturing companies.

The study conducted by Bicho (2004) pointed out that the mutual goals which just-in-time (JIT) and strategic supplier partnering seeks to achieve are; product simplicity, product improvement, reduction in lead time and waste reduction. Also, Brownell (2005) observed that strategic supplier partnership allows for free flow of orthodox means of communication between suppliers and customers which enhances smooth operation of the firm with greater efficiency and effectiveness. As electronic communication emerges as firm respond to technological advancement, the strategic supplier representative still maintains the communication tempo. More so, if a firm engages in early supplier activities, it will reduce the receipt of defective and obsolescence items.

Vendor Managed Inventory (VMI) is another new dimension from supplier partnership, it enhances speedy delivering of inventory from suppliers to customers irrespective of their location. Under the vendor managed inventory (VMI) system the supplier has a duty of replenishing stocks as they reduce in quantity. This will involve inventory ordering, counting and managing shipping logistic. This arrangement even though it allows the customer to bear the cost as the supplier engages on the routine activities, the customers still enjoys the reduction in product overall cost. This justifies why Kandampully (2003) observed that most firms nowadays, align together and work as network so as to enjoy competitive advantages rather than competing as a single firm.

Inventory Shrinkage

The word shrinkage is defined by Beck and Peacock (2009) as anything that reduces gradually over a period of time having a little impact or concern. Inventory shrinkage simply means the number of inventory that was recorded in an account books of the company but could no longer be found in physical count. It represents the difference between the book value and the physical value of the inventory. Inventory shrinkage has been perceived as risk cost arising from product obsolescence, natural disaster, poor inventory storage, theft etc. Inventory shrinkage has been defined by the Retail Council of Canada (2005) as the amount of money loss arising from variance between the amount of physical inventory available at the company's store for sale and the amount of inventory received and recorded in the books of the company. Inventory shortage occurs as a result of discrepancy that exists between the final amount of inventory recorded in the accounting books of the company and the amount of physical inventory inspected. May, (2007) further summarized inventory shrinkage as the loss of inventory as a result of shoplifting, vendor fraud, employee theft, and administrative error. Also, Carl and Shaun (2014) posit that inventory shrinkage has been grouped into four major categories which are; failure from process, inter-company fraud, external theft and internal theft. All these are financially inefficient, costly, wasteful to the organization and negatively affect overall performance. However, organizational performance can be greatly enhanced and improve upon if proper inventory control measures are put in place, with good inventory stock manager that can regulate and keep inventory shrink at bearable level.

Inventory Investment

Inventory investment is referred to as an investment on physical stock of raw material, finished stocks, and work in progress (Ali & Asif, 2012). The difference between fixed investment and

inventory investment is that investment in the latter continue to change alongside with the production cycle of the firm. Investment on inventory starts from purchases of raw materials, to work in progress, to finished products. All the investments in inventory have significant impact on the company cash flow and profit. Poljacovic (2006), defined inventory investment as those goods held by organization in storage, work in progress, materials and supplies and finished goods. It is the change in the store materials, work in progress and finished goods held by the company within a period of time. Nowadays, firms spend reasonable time in deciding on the maximum amount of inventory to be held at any given period of time in view of the cost and benefits attached with keeping inventories. This is a major decision that investors must make at any given time of their production process. This is so because too much investment in inventory will certainly tie up scarce capitals that are needed for other business ventures. Likewise, if investment in inventory is insufficient, it will certainly give rise to investment shortage which could lead to failure to satisfy customers' demands. Therefore, for a company to attain the desired organizational performance, there is the need for such company to strike and maintain a balance on inventory investment.

Application of Information and Communication Technology (ICT)

Carter and Price (2010) identified information and communication technology as force that propel the success of any firm. Information managers heavily rely on ICT to take major decision on inventory. For ICT to actualize its purpose, computers are the major tools that are deployed by companies to help them control stock level. This is done by ensuring that the value of stocks received and stocks dispatched are properly maintained at every given period.

Recently, the use of Electronic Data Interchange (EDI) are on the increase by most firms to control stock level with less human beings' interventions. This could only be achieved through the use of computer in determining inventory variables such as customer demand, delivering dates, stock level etc. In fact, with the aid of ICT and the use of computer, firms now enjoy so much advantages. One of the major advantage is that, it permits proper coordination of the firm's production activities since all the necessary information about production plan and stock level are handy. This allows the firm to maximize efficiency by attaining higher information accuracy, reduction in lead time, less paper work, staff cost etc.

Another important tool deployed by firms in inventory management is the Electronic Point of Sales (EPOS). This device is used to capture information regarding the sales of goods. In addition, the EPOS device performs other functions like sending out inter and intra store messages, confirm check, charges transaction and present sales reports. This provides useful information to buyers, reduces cases of theft, risk of product obsolescence as well as stock deterioration, which eventually improves customers' satisfaction and boost the financial position of the company (Lyson, 2012).

Theoretical Framework

The underpinning theory for this study is the resource based view (RBV) theory. Gitau (2006) suggests that RBV theory is more suitable for explaining the link between inventory management and operational performance. Penrose (1959) posited that resource based view theory projected a company as an administration entity with aggregation of productive resources in form of human and physical materials that are deployed by a company to produce multiple services. It is obvious that an impervious relationship exists between knowledge retained by human factors and the outputs produced by the human factors. This evidence proves that companies are truly the reservoirs of knowledge. According to Barney (1991) resource based view beams its searchlight inside the company's resources, the strength and ability of the human factor to explain the profit

margin and the overall value of the company. Hoopes et al, (2003) used the theory to describe the variation in company's performance in a given industry. Similarly, this theory appears suitable to be applied in this study since it has established a clear link between materials/human resources and organizational performance. In view of the foregoing literature review, the study conceptualizes a research framework shown in figure 1.

Inventory Management

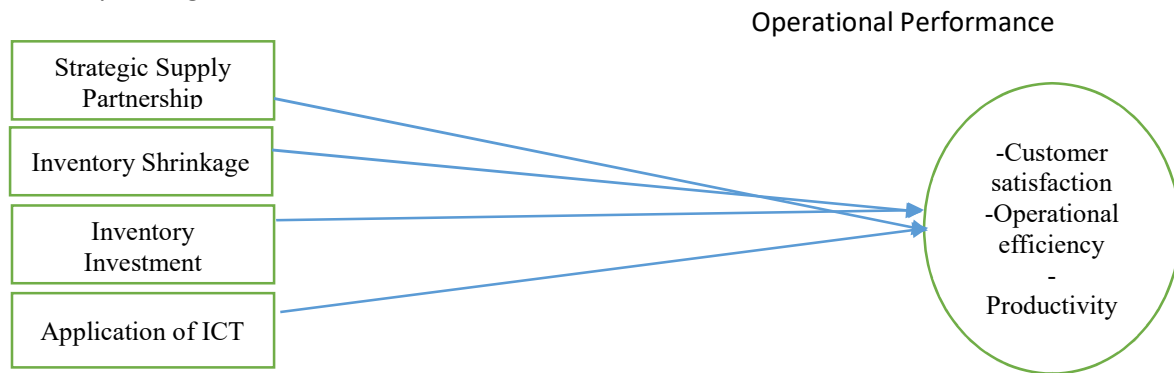


Figure 1. Research Framework
Source: Researcher

Empirical Review

Evidence that links inventory management practices and operational performance has been established in the literature. For instance, Agu, Ozioma and Nnate, (2016) conducted a study on the effect of inventory management on organizational performance of selected manufacturing firms in Nigeria. The study aimed at examining the level at which inventory control affects productivity of selected companies in Nigeria. Descriptive survey research design was adopted for the study. The study used a population size of nine hundred and ninety- six (996) out of which two hundred and eighty- five (285) were selected as sample size, using Yamani formula for sample size determination. Primary questionnaire and interview were the major instruments used for data collection. Hypotheses of the study were tested using Pearson product movement correlation coefficient and simple linear regression statistical tools. Findings from the study indicate that inventory control significantly affects productivity of selected manufacturing companies in Nigeria. This indicates that inventory management practice is vital in operational performance of any firm.

Oballah, Waiganjo and Wachiuri (2015) investigate the effect of inventory management practices on organizational performance in public health institution in Kenya, the aim of the study was to establish the effect of inventory investment, inventory turnover, inventory shrinkage and inventory records accuracy on the performance of Kenyatta National Hospital. The study employed descriptive case study design. A total of seventy- four (74) staff of Kenyatta National Hospital represents the population of the study. The study employed questionnaire as the instrument for data collection. Pearson's correlation coefficient was used to examine the relationship between the variables. Results from the findings revealed that inventory records accuracy and inventory investment have significant influence on operational performance while, inventory shrinkage shows a negative effect on operational performance. \

Similarly, Wangari and Kagiri (2015) studied the influence of inventory management practice on organizational competitiveness in Safaricom Kenya Ltd. Inventory shrinkage, inventory investment and inventory turnover are the major dimensions of inventory management. A descriptive research design was adopted for the study. One hundred and three (103) staff from the departments of finance, customer's care and supply/administration represents the population of the study. Questionnaire was the instrument used to collect data for the study and the data collected were analysed using regression statistical tool with the aid of SPSS. The study found that, inventory investment, inventory shrinkage and inventory turnover influence the competitiveness of Safaricom Ltd.

Also, Ogbo, Onekanma and Wilfred (2014) undertook a study on the impact of inventory control management on performance of 7up Bottling Company Nile Mile Enugu, Nigeria. Survey research design was used for the study. Eighty- three (83) staff from the production department represents the population of the study. Structured questionnaire was instrument deployed to collect data from the respondents. Chi-square was the statistical tool used for the data analysis. Result of the study revealed that proper inventory control management has positive influence on the operational performance of 7up Bottling Company Nile Mile Enugu.

Finally, Musau, Namusonge, Makokha and Ngeno, (2017) investigate the effect of inventory management on operational performance among textile manufacturing firms in Kenya. The study was guided by the inventory management theory. Convergent parallel mixed research design method was adopted. A total of one hundred and ninety- six respondents drawn from procurement department and all heads of departments constituted the population of the study. Both questionnaire and interview were deployed as instrument for data collection and hierarchical multiple regression and correlation analysis were used to analyse the variables of the study. The findings of the study show that inventory management practice significantly influence operational performance of textile manufacturing firms in Nairobi, Kenya.

Methodology

Descriptive and survey research design is used for this study. Its advantages are that, it is cost effective and saves a lot of time (Sekaran, 2003). The population for this study consists of one hundred and thirty (130) staff of the production department, the figure of the population was obtained from the human resource department and it comprises of permanent, contract and casual staff. The rationale for using the production department as the population for the study is that, they are responsible for implementing all the inventory management strategies in Nigeria Breweries hence they are suitable to provide the responses the researcher requires for this study. A sample size of ninety-seven (97) staff was drawn from the population using Krejcie and Morgan (1970) table for sample determination. Simple random sampling techniques was applied to select the sample size from the population. A closed ended questionnaire was the instrument used to collect data for the study. The questionnaire was designed in the form of five-point Likert scale adopted from the studies of Akinlabi, (2017) and Gitau (2016).

A total of 97 questionnaires were distributed to the staff in the production department of Nigeria Breweries only 89 responses were received representing 86% of the total responses. Both descriptive and inferential statistics were adopted for data analysis in the study. The questionnaire administered was made of two sections. Section 'A' of the questionnaire was on the demographic characteristics of the respondents, Section 'B' contained both the independent and dependent variables.

Although, content validity and reliability test were established in the original studies, because the items were now used in a different setting, reliability of the instrument was still conducted to determine consistency. The reliability test of the present study's questionnaire yielded a Cronbach alpha coefficient of 0.755. Scholar like Hair, Hult, Ringle, and Sarstedt (2014), Nunnally (1967) Sekaran and Bougie, (2010) recommend 0.60 as an average reliability while, a coefficient of 0.70 and above according to Andrew, Pedersen, and McEvoy (2011) are more desirable and highly reliable. Hence going by the above mentioned literature, the entire construct in this study is found to have achieved a high reliability.

The independent variable inventory management practice (strategic supplier partnership, inventory shrinkage, inventory investment and application of ICT) was measured using items developed by Akinlabi, (1970), where strategic supplier partnership measured by 4 items, inventory shrinkage 8 items, inventory investment 5 items and application of ICT 5 items. While, the dependent variable operational performance (customer satisfaction, operational efficiency and productivity) was measured using 7 items developed by Gitau, (2016), customer satisfaction, operational efficiency and productivity. Five-Likert scale ranging from 'strongly disagree' to 'strongly agreed' was used to measure responses collected. Krosnic and Fabrigar (1997) posit that the use of 5 point-Likert scale is much better, they further suggest that a scale of 5 to 7 points is reliable and more valid than shorter or longer scale. In order to determine the finding of the study, multiple regression analysis was used to analyse the data collected from the respondents with the aid of SPSS version 23.

Results and Discussion of Findings

Table 4.1: Summary of Regression Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F	df1	df2	
1	.576 ^a	.332	.325	.83197	.332	44.154	4	355	.000

a. Predictors: (Constant), EPM, ESS, EPC, EGD

b. Dependent Variable: CPB

The result in Table 4.1 above shows the R value of '0.576' or 58% which suggests a strong positive correlation between inventory management practices and operational performance of Nigeria Breweries. The R square value of '0.332' suggests that the entire model has explained about 33% variation of operational performance of Nigeria Breweries. Hence, the remaining 67% of variation can be explained by other factors outside the model.

Table 4.2 Summary of ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	122.251	4	30.563	44.154	.000 ^b
Residual	245.724	355	.692		
Total	367.975	359			

a. Dependent Variable: CPB

b. Predictors: (Constant), EPM, ESS, EPC, EGD

The result in Table 4.2 above reveals the regression equation represented by a set of regression coefficients that in total, are statistically significant from zero shows an 'F cal' of 44.154 and a significance value of 0.000 (or $p < .01$). This indicates the fitness of the model. The implication is that inventory management practices provided by production department are strong factors that influence operational performance of Nigeria Breweries, Kaduna.

Table 4.3 Coefficients of the Predictor Variables

Model	Unstandardized		Standardize	T	Sig.
	B	Std. Error	d Coefficients Beta		
(Constant)	25.816	.935		27.599	.000
Stra. suppl partn (SSP)	-.253	.064	-.179	-3.929	.000
Inventory shrinkage(IS)	.284	.034	.385	8.339	.307
Inventory investment(II)	.287	.040	.322	7.245	.000
Applicatn. of ICT(AICT)	.233	.038	.272	6.166	.601

a. Dependent Variable: CPB

Test of Hypothesis One

1. H_0 : Strategic supplier partnership does not have significant effect on operational performance in Nigeria Breweries Plc, Kaduna State.

In Table 4.3 the result shows the contribution of strategic supplier partnership on operational performance of Nigeria Breweries, Kaduna. The beta weight of strategic supplier partnership was .179 with a positive P-value of 0.000 ($p < .01$), which suggests that strategic supplier partnership is a strong inventory management practice that influences operational performance of Nigeria Breweries, Kaduna. Thus, the null hypothesis which stated that strategic supplier partnership does not have significant effect on operational performance of Nigeria Breweries, Kaduna is rejected, while the alternative hypothesis is accepted.

Test of Hypothesis Two

H_0 : Inventory shrinkage does not have significant effect on operational performance of Nigeria Breweries Plc, Kaduna State.

Information in Table 4.3 shows the contribution of inventory shrinkage on operational performance of Nigeria Breweries Kaduna. The beta weight of inventory shrinkage is -.179 with a negative P-value of 0.870 ($p > .01$), which suggests that inventory shrinkage is not an inventory management practice that positively influence operational performance of Nigeria Breweries, Kaduna. Thus, the null hypothesis which stated that inventory shrinkage does not have significant effect on operational performance of Nigeria Breweries, Kaduna is accepted.

Test of Hypothesis Three

3. H_0 : Inventory investment does not have significant effect on operational performance of Nigeria Breweries, Kaduna.

As showed in Table 4.3 inventory investment with a beta weight of .322 and a significant P-value of 0.000 ($p < .01$) has a strong positive relationship with operational performance of Nigeria Breweries, Kaduna. It applies that, a good inventory investment plan implemented by the production department influences operational performance. Therefore we reject the null hypothesis, which states that inventory investment does not have significant effect on operational performance in Nigeria Breweries, Kaduna.

Test of Hypothesis Four

4. H_0 : Application of ICT does not have significant effect on operational performance of Nigeria Breweries Plc, Kaduna State.

In Table 4.3 the result shows the effect that application of ICT has on operational performance in Nigeria Breweries, Kaduna. The beta weight for application of ICT shows -.179 with a negative P-value of 0.870 ($p > .01$), which suggests that application of ICT is not an inventory management practice that influence operational performance of Nigeria Breweries, Kaduna. Thus, the null hypothesis which stated that application of ICT does not have significant effect on operational performance of Nigeria Breweries, Kaduna is accepted.

Discussion of Research Findings

Based on the results of the analysis, particularly the results of the test of hypotheses. The study uncovered that strategic supplier partnership have significant effect on operational performance of Nigeria Breweries, Kaduna. This finding is similar to the studies conducted by (Ngumi, 2015: Kairu, 2015: Mshelia, 2015). However, the study contradicted the results of (Jefwa, & Owuor, 2015: Nasra, 2014) who in their studies concluded that strategic supplier partnership has inconsequential effect on operational performance. This advocates that a good strategic supplier partnership will enable the company to take early delivery of stock by the supplier, replacement of defective and obsolesce items and sharing logistic costs between the company and the supplier.

Also, findings reveal that inventory shrinkage has insignificant effect on operational performance of Nigeria Breweries, Kaduna. The result of this study therefore concurs with the findings of (Eroglu & Hofer, 2011: Cannon, 2008) which indicated that there is no significant relationship between inventory shrinkage and operational performance. Nevertheless, the finding of the study deviates from the results obtained by (Waruiru, & Kagiri, 2013: Takim, 2014) who found that inventory shrinkage has a significant effect on operational performance. This suggests that, the company has failed to deter employee theft, shoplifting, vender fraud, and administrative error which has accounted for inventory shrinkage in the company.

Moreso, the study found that inventory investment plan implemented by Nigeria Breweries, Kaduna has a positive and significant effect on its operational performance. The finding is in conformity with the findings of (Ogonu, Ikegwuru & Nwokah, 2016: Lyndon & Paymaster, 2016: Kwadwo, 2016) which indicated that there is a positive and significant effect of inventory investment on operational performance. On the contrary, studies conducted by (Saleh, 2015: Lyons, & Gillingham, 2013), found inventory investment as a variable with insignificant effect on

operational performance. This infers that the company is neither investing too much of funds on inventory that is tying down capital nor is it investing too little that will lead to out of stock.

Finally, the findings of this study show that application of ICT has no effect on operational performance of Nigeria Breweries, Kaduna. The result of this study therefore is in consonance with the findings of Eroglu and Hofer (2011) which indicated that there is no significant relationship between application of ICT and operational performance. While, the study conducted by Nyabwanga, and Ojera, (2012) established that application of ICT has significant and positive effect on operational performance. This implies that inventory of stock are not fully computerized to ascertain the through position of stock to hold at any given time.

Conclusion and Recommendations

The study examine the effect of inventory management practices on operational performance of Nigeria Breweries, Kaduna. Four hypotheses were developed for the study and the scope of the study was limited to production department of Nigeria Breweries, Kaduna Branch. Their responses were collected and multiple regression was used to analysed the data. The study found that, strategic suppliers' partnership and inventory investment has positive significant effect on operational performance, while inventory shrinkage and application of ICT have no significant effect on operational performance of Nigeria Breweries, Kaduna.

Based on the findings of the results, the study recommends that:

- i. Management of manufacturing companies should concentrate their effort on developing inventory management practices like; inventory control system, high inventory turnover, inventory record accuracy and general automation of inventory system. This will boost operational efficiency of the production department.
- ii. Management of Nigeria Breweries Company must put in place strong stock control measures through the use of multiple record keeping of stock values at each stage move they to. This will help management to immediately dictate stock discrepancies which will guide against inventory shrinkage.
- iii. Management of Nigeria Breweries should deploy full application of ICT in all the transactions carried out in production department. This will enhance accuracy and timely dissemination of vital information.
- iv. The production manager of the company should ensure that the department sustain and consolidate on the current strategic supplier partnership being enjoyed by the company. This will guarantee timely acquisition of raw materials for the company.

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