

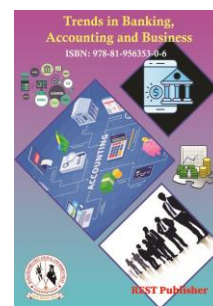


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A Study on Impact on Logistics Performance Sarvam Logistics at Hosur

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Abstract: Through this research it will be identified that how firm gets added value in its organizational growth in terms of effective cost and operational efficiency. The overall goal of the research is to introduce model regarding logistic management effected by various factors. Effective logistic management does not require the specified size of organization to perform but to ensure efforts to be cost efficient and appropriate processes in order to avoid wastage of material, time and energy. Therefore, it is an important factor for any organization to keenly focus their logistics management area for both inbound and outbound activities. Designing and implementation of performance measures criteria is continuous process towards taking the best decision in favour of firm for future growth and development. Studies thought that performance management has a relationship with suppliers, delivery of finished goods, inventory management cost and customer satisfaction. Performance management process as a part of logistic management system linked with customer satisfaction. Effective logistics activities and capabilities of organizations lead towards firm success. However, it is also argued that logistics pledge flow of raw materials in organized pattern in a way which reduces the operational cost and enhance process effectiveness to meet customer and market expectations. Competitive advantage in respect of customer satisfaction and fulfilment of market needs may be achieved by the organization through effective logistics and supply chain management. Competitive advantage includes two major types of advantages i.e. cost advantage and value advantage. Where cost advantage provides benefit of low cost on production and transportation whereas, value advantage creates positive perception and reputation of organization in market.

Keywords: logistic management, inbound and outbound activities, suppliers, competitive advantage, supply chain management.

1. INTRODUCTION

The globalization process enables the sale of products for the same purpose from different manufacturers and with different prices. The increased offer on the market has led to intensive competition and some of the companies are faced with the problem of survival. The development of information technology has led to increased flow of information around the world, which resulted in enhanced education of producers and consumers. The only way for companies to survive on the market is constant lowering the price of products and regular improvement of product characteristics. Hence, the continuous intensive development of the company is crucial to its survival on domestic and global markets. Creating and sustaining a competitive advantage of the company is a complex and sustained process that largely depends on the flexibility and willingness of the company to carry out rapid changes in their processes and to make them faster than their rivals. The continuous adjustment and improvement of the processes is the basis for the company's functioning in the current conditions, while at the same time is one of the key success factors. In this context arises the need for application of modern management practices in all aspects of the operations of the company, especially in the supply chain management, which contributes to increasing competitiveness. One important element is the logistics which provides management with the total operations costs and increases the efficiency of the company's business activities. Collaboration among all the supply chain players

coupled with a responsive approach can enhance organizational competitiveness through reduced lead-time facilitated by smooth flow of material from upstream towards the downstream end of supply chain. This approach will ensure end customers get value for their money and also reduce the level of uncertainty in the industry. Supply chain logistics involves the coordination among supply chain members and detailed arrangements to ensure a smooth flow of information and material across the supply chain (Harrison and Van Hoek, 2008). Countries have always tried to reduce the money and time spent on supply chain logistics. Logistics industry impacts a country's economy, both at macro level and micro level. At the macro-level, it boosts the national economy by generating employment and encouraging foreign investments influx. Logistics sector is rightly considered to be the key to globalization and internationalization. At the micro level, logistics industry gives rise to increased competition that results in competitive pricing. The performance of the logistics sector of any country is measured by the Logistics Performance Index (LPI) of the country. Calculation of LPI is in accordance to what is defined by the World Bank. Human development of any country is measured by the Human Development Index (HDI) as defined by United Nations Development Program (UNDP). This paper studies a possible relationship between these two metrics. The World Bank provides an interactive benchmarking tool called Logistics performance Index (LPI). With the help of this tool, countries can easily spot the unexploited opportunities and the underlying challenges involved in trade logistics performance. LPI was last released in 2018 comparing 160 countries. A survey of ground operators is conducted worldwide and their feedback on ease of working and friendliness of the countries they operate in is recorded. Apart from this feedback, quantitative data on logistics network in the country emphasizing on performance of key components is also assessed. Therefore, LPI is a combination of both qualitative and quantitative measures.

2. OBJECTIVES OF THE STUDY

- To examine the importance of managing the logistics function in organisations.
- To investigate the challenges encountered in logistics management and appropriate solutions to the challenges.
- To establish the relationship between logistics management and organisational performance.
- To analyse the effect of transportation management on organizational performance at logistics industry.
- To examine the effect of inventory management on organizational performance at the firm.
- To investigate the effect of warehouse management on organizational performance at logistics firm.

3. SCOPE OF THE STUDY

The study is limited to logistic industry, not include another factory in Chennai. Since Logistics activity encompasses vast area of managerial practices, this particular study conceptually delimited to specific context, which is on logistics activities such as transportation, inventory and warehouse management at the logistics firm. The research was confined to companies due to a range of activities handled by the organisation in line with logistics function and its accessibility by the researcher. The investigation was limited to logistics management and organizational performance and so the research centred on getting all the relevant data and information about this subject.

4. REVIEW OF LITERATURE

Fekadu (2017) conducted the study on logistics practice in Ethiopia. The finding of the study shows that Ethiopian logistics system is poor practices and lack of coordination of goods transport, inadequate fleet freight vehicles in numbers and damage and quality deterioration of goods while handling, transporting and storage. Even though there is study done by him on Ethiopian logistics practice, he did not give prominence specifically on logistics activities like inventory and warehousing. Therefore, the current study was designed to fill in the existing gap in literature by assessing the effects of logistics activities on the performance of the firm.

(Ensermu, 2018) defines an inventory as a stock or store of goods. The objective of inventory management is to determine and maintain the lowest inventory levels possible that will meet the customer service policy stipulated in the customer service policy. Either way, any company that sells goods likely has the material necessary to sell their products as well as finished products on hand. These materials and finished products kept on hand are the company's inventory.

(Karimi and Rafiee, 2018) The continuous adjustment and improvement of processes is a key mechanism for the functioning of the company in modern conditions and a significant competitive advantage. Supply chain management practices impact not only overall organizational performance, but also competitive advantage of an organization. The proper supply chain management is a process that reduces costs and increases the competitiveness of the company.

Mentzer and Konrad’s (2018) Logistics function’s goals are accomplished. Logistics implicates to the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements. It comprises the management of raw materials flow to finished goods through an organization. Logistics means planning and organizing activities that ensure that resources are in place so that the process can be effectuated accordingly in efficient and effective manner. The main functions of logistics managers involve organizing and planning of inventory, purchasing, transportation, warehousing activities.

(Mellat-Parast and Spillan, 2019) the logistics needs to respect the process of planning, implementation and control of the procurement, storage, transport and information and with the sole purpose to improve them. Every company should develop an appropriate mission and vision in order to implement its business logistics. The mission of the business logistics is to ensure availability of the right product in the right quantity, on the right place, at the right time and to the right buyer at the right price. The vision of the business logistics is to ensure sustainable development, or to set logistics activities and operations in order to get the final results with the least possible level of coordination, maximum synergy and lowest costs in accordance with all environmental and consumer laws.

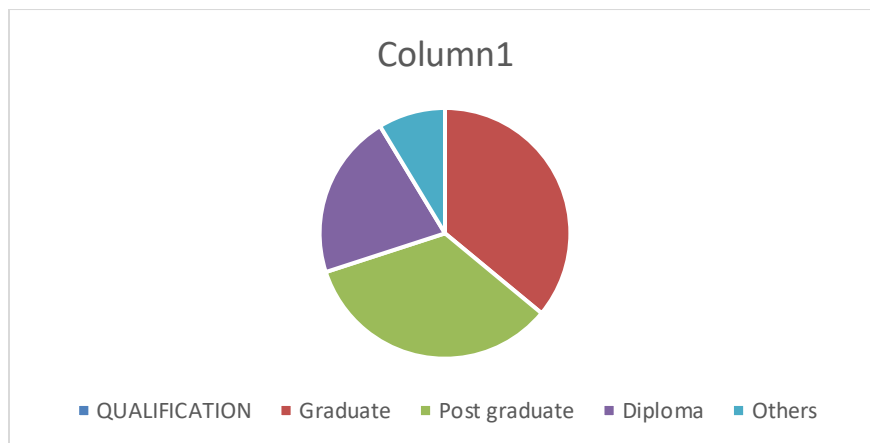
5. RESEARCH METHODOLOGY

This assessment used the sensible way of thinking for research. This examination relies upon ETS method, giving sensible monetary ascribes rather than speculative credits. Using overwhelm spread sheet regard, we have gathered a money related appraisal model used in this assessment.

6. DATA ANALYSIS

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE (%)
Graduate	54	36.0%
Post graduate	51	34.0%
Diploma	32	21.3%
Others	13	8.7%



Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.501E2 ^a	12	.000
Likelihood Ratio	301.425	12	.000
Linear-by-Linear Association		1	.000
N of Valid Cases	150		

a. 8 cells (40.0%) have expected count less than 5. The minimum expected count is .67.
 Income group * Level of Satisfaction Customer on Time Taken for Delivery

Count		Level of Satisfaction Customer on Time Taken for Delivery					Total
		Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Income group Total	Below Rs. 15,000	37	0	0	0	0	37
	Rs. 15,001 to Rs. 20,000	6	54	0	0	0	60
	Rs. 20,001 to Rs. 25,000	0	7	26	0	0	33
	Above Rs. 25,001	0	0	2	13	5	20
	Total	43	61	28	13	5	150



7. FINDINGS

Majority 62.0% of the respondents are male.
Mostly 46.0% of the respondents come under the age group of 25-30 years.
Mostly 36.0% of the respondents are qualified with graduate.
Mostly 40.0% of the respondents are getting rs. 15,001 to rs. 20,000.
Mostly 32.0% of the respondents are experienced below 2 years.
Mostly 43.3% of the respondents are under procurement department.
Mostly 47.3% of the respondents are being supervisor about designation.

8. SUGGESTIONS

Thereafter, detail study based on prior researches and future prospects of logistic management evident that effective logistics and financial management creates positive impact on organizational performance. On the basis of collected data and results, it is extracted that organization can enhance its reputation and performance by emphasizing on multiple dimensions of logistics that includes logistics effectiveness, responsiveness and logistics cost. Like other management areas, the effective logistic management is being considered as backbone for the organizations in the present era. Due to great focus on logistic management organizations achieve competitive advantage in the market. Number of researches has been conducted worldwide on importance of effective logistic management and it has found that organizations are keenly focused to continuous improvement in logistics activities and operations.

9. CONCLUSION

This is the general understanding that financial measures and efficiency are always the most important measures in rating the organizational performance. This is the reason that many previous studies have always regarded the two components the most effective tool of performance indicators. The last component responsiveness is least important in logistics management. This questionnaire that was structured to fetch the results however, also revealed some hidden facts that were not the part of the study such as customer focus is also the main variable that also contribute its primary role in comparing the efficiencies of logistics but since our research model has ignored the component efficiency therefore can be regarded as the research limitation here. All in all, we can conclude that the study has been proved successful in evidencing that logistics effectiveness and financial efficiency have positive relation with organizational performance. Now on the results basis, it is recommended to the management of organization to place great emphasis on competency of logistics and to design some strategies through cost of the logistics can be reduced through using available resources. Like other areas of the management in which effectiveness plays immense part in achieving success, supply chain is also the core area through which organization can achieve competitive advantage over others. The reason of complete study is to identify the importance of logistics in overall performance of conglomerate for the purpose of sustainability in a highly competitive environment. Over the period of years, when world has become flat and business are expanded worldwide, logistics and supply chain has gained serious concerns for the management along with other activities. Due to increasing importance of this field, many researchers have already been conducted in this regard however still some practical side of the subject have been ignored which needs to overcome in the future work.

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