

Role of Top Management Support in Supply Chain Performance in Distribution Sector in Kenya: Case of DHL Nairobi Kenya

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Abstract: Somewhat because of globalization, for organizations it is valuable to use volumes of merchandise and ventures purchased through a focal sourcing substance. A focused supply chain is a remarkable supply chain, containing exceptional connections and coordinated efforts that furnish a customer with more enhanced a lesser cost than a contender. Top management support is a specialized enhancement, however frames an imperative connection between the diverse gatherings in the supply chain. In this study on the role of top management support in supply chain performance, DHL limited was used as the case study; this was due to its long term experience and global nature in logistics operations. The literature review was undertaken to establish the research gap which existed in the area of study. It is from the literature review that the specific objective was generated e.g. top management support, in supply chain performance. The specific objective was to be used to design methodology. The study used survey as a method of collecting data. The stratified random sampling was used during the exercise. In the study the target population of 99 was considered and a representative sample size of 50 was found to be significant to the study. This study analyzed the role of top management support through the net chain concept, aiming to discuss how its position in the supply chain alters all others actors behavior.

Keywords: DHL, Chain Performance, global nature in logistics operations.

1. INTRODUCTION

Background of the study:

Top management support is recommended to be examined as one of the value drivers that trigger reverse logistics performance within an organization. It ensured the success of the reverse logistics process by emphasizing on the areas of organizational buy-in, continuous improvement, definition of mission for the system, and clear purpose (Huscroft, 2008). Relatively less importance given to the reverse logistics by the top management has been taken as one of the managerial inefficiency for considering the success factors of reverse logistics process (Verweij et al. 2008).

According to resource based view of the organizations, deploying the organizational resources in the most effective and efficient opportunities available, organizations can enjoy a defensibly long competitive edge. There is just a need to create a correct match between organizational resources and available opportunities. Top management's resource commitment in different support programs like information support program are very essential for the overall success of reverse logistics. Daugherty, Richey, Genchev & Chen, (2005) empirically proved the high performance of reverse logistics by inducting proper resources in the technology improvement programs. The study evidenced that it will ultimately enhance the information support capability of the organizations. Daugherty et.al (2005) compared the high performing and average performing firms in the context of technological resource commitment. The tested the impact of top management resource commitment and information support system on organizational economic performance and quality of the services being

rendered. Findings and results suggested that positive relation between resource commitment and the two constructs of financial performance and service quality is not significant. But they have also mentioned that it does not mean that resource commitment is not important. It has certain impact on organizational reverse logistics programs (Daugherty et.al 2005). As reported by another study that for the successful Supply chain performance of reverse logistics, there is a need to create a sense of strategic focus in the reverse logistics program (Smith, 2005). Top management triggers the reverse logistics strategy in order to gain competitive advantage for the organization.

Statement of the problem:

Supply chain management is the most vital economic action among the segment of business logistics systems, around 33% to 66% of the costs of big business logistics expenses are spent on transportation. As indicated by the examination of national council of physical distribution management (NCPDM) in 1982 (chang, 1988), the cost of transportation by and large, represented 65% of market income and logistics and this makes a crevice to be shut by setting up the impact of top management to enhance supply chain performance, There are a few components like information support systems, formalized projects, stakeholders commitments, organizational policies and top management support are rendered vital for effective stream of turn around logistics (Carter and Ellram, 1998). One of the targets in this review however centered on the top management support variable as it is ascribed with the most elevated priority for reverse logistics among all other parameters (Ravi and Shankar, 2005). Rogers and Tibben-Lembke (1999) examined on the obstructions to the success of reverse logistics in supply chain performance. They contributed that the biggest extent of the respondents concurred that it is a direct result of the absence of top management support. This obstruction is in should be tended to as customers get an incentive from turn around logistics and furthermore in light of the fact that it is the piece of aggregate quality management. Asset responsibility by top management brings about productive and viable reverse logistics programs (Richey et al. 2005). Best management support is likewise required in accordance with organizational policies for characterizing reason, planning returns, deciding, making decision, and inspiration, consistent change, vertical integration and resource commitments in logistics. Three considered difficulties with respect to supply chain structure; material flow, routing and classification of products returns material talked about by the Gathering of logistics management, all require top management (Jayaraman et al. 1999),this is to imply that top management support and organizational policy is profoundly established in the accomplishment of logistics enhancement and performance consequently there exist minimal thought about the truth of top management support to optimize logistics, this examination will in this way attempt to reveal insight about the part of top management support in supply chain performance.

2. LITERATURE REVIEW

Empirical review:

The role of top management as expressed over the SCM expression is indistinct and experimental reviews demonstrate a contrast between the perfect SCM hypothesis and practice. Taking the SCM logic from hypothesis to rehearse is by all accounts a troublesome assignment for organizations, in spite of the numerous conspicuous favorable circumstances talked about. A regularly said key empowering influence, and an important essential for performing SCM, all things considered, is best administration bolster (e.g. Lancioni, 2000; Matchette and Lewinski, 2005; Gibson et al., 2005; Lambert and Cooper, 2000; Andraski, 1998; Moberg et al., 2003; Mangan and Christopher, 2005). This is additionally upheld by an as of late directed overview think about (Larson et al., 2007) among senior individuals from the Council of supply chain management professionals, CSCMP, where top management support is distinguished as the most vital facilitator for supply chain performance of SCM.

This thesis takes a position on the call for top management support, with the reasonable presumption that top managers significantly affect acknowledging and building up an organization's SCM hones; without appropriate top management support, SCM will be just a promising theories (Sandberg, 2007).Considering the survey results from Larson et al. (2007), the importance of top management also becomes clear when looking at the main Supply chain performance barriers found in the study. These were functional silos, incompatible technology/systems, lack of a common SCM perspective, conflict among supply chain members, and inadequate employee skills. Indeed, these barriers can be brought down with strong top management support.

Despite the massive call for top management support, most articles within the SCM literature avoid going into details on the subject. Typically SCM authors acknowledge top management's importance, but do not take the discussion further

and therefore surprisingly little in-depth research on top management support in SCM has been published. The role top management plays – or should play - in SCM is not yet clarified and can be an important piece of research that is not yet in place in the big SCM puzzle (Sandberg, 2007). For instance, the question can be raised whether the word “support” is the best formulation for the role top management should play. Perhaps “involvement” would be more appropriate, indicating that passive support is not enough in order to overcome SCM barriers

3. RESEARCH METHODOLOGY

Methodology describes specific strategies that were used in data collection and analysis in order to answer research questions. It focuses on the research questions, research design, and the population of study, sample frame, sample design, data collection methods and data analysis techniques. A design is used to structure the research to show all of the major parts of the research project work to try and address the central research questions. It is a scheme routine or plan that is used to generate answers to research problems hence it is very essential.

The study adopted the descriptive research design, which involves a survey on the role of top management support in supply chain performance. The justification of using survey as a method of research design is that they are relatively inexpensive, it assists in describing the characters of large population, they can be administered from remote location using e-mail, any questions can be asked about a given topic. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004).

A sample of employees was drawn using stratified random sampling procedures. This method is recommended when a researcher is dealing with a population which is heterogeneous because the population of the interest can be divided into top managers, middle managers, subordinate and corporate customers. A target sample of 50 was earmarked for the study.

This research used both open and closed questions. According to Dilman (2000) open questionnaire allow respondents to give answers in their own way while Fink (1995) show that closed ended questions a number of alternative answers from which the respondent is instructed to choose.

Data Analysis:

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains.

The data collected was then analyzed using descriptive statistics presented in tables and figures during the analysis. The researcher interpreted the findings to determine if the results were consistent with hypothesis. Qualitative data was collected and analyzed in tables and figures.

The researcher used qualitative methods because it gathers data which provides detailed description of events as opposed to quantitative which is based on theories.

4. CONCLUSIONS

The purpose of the study was to ascertain the role of top management support in supply chain performance .a case of DHL Kenya Limited. The study utilized a survey and target population of 99 employees of DHL limited in Nairobi Kenya. To assign meaningful numbers to responses variables were measured at interval scales. Numbers were assigned for responses which were closed ended and therefore conclusion was arrived at from the data analysis. The findings indicate that the top management supported logistics optimization to improve supply chain performance. The study found that top management support to the supply chain performance have appositive relationship. Respondents indicated that management support was demonstrated in the following ways: organizing and planning policies, organizing logistics activities, employee supervision and payment of suppliers.

Top management support plays a significant role as per the findings, elements of management for instance planning, leadership, and control, directing and organizing employees within the operations helps in achieving supply chain performance.

5. RECOMMENDATIONS

Performance measures should be put in place to assist in setting targets on implementation of organizational policies, in efficiency of using organizational financial resources and appraising the extent of top management support.

Staff motivation techniques should be undertaken within the organization, this will enhance efficiency in the use of financial resources and the implementation of organizational policy and cost reduction strategies, it would also help top management to carry out its responsibilities without much challenge

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