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CHARLES MUTAI, DR. MAKORI MORONGE

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INFLUENCE OF WAREHOUSE MANAGEMENT ON ORGANIZATIONAL PRODUCTIVITY IN STATE CORPORATIONS IN KENYA: A CASE OF KENYA ELECTRICITY GENERATING COMPANY LIMITED

[1] Charles Mutai, [2]Dr. Makori Moronge
[1]Jomo Kenyatta University of Agriculture (JKUAT), Kenya
[2]Jomo Kenyatta University of Agriculture (JKUAT), Kenya

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ABSTRACT

The purpose of the study was to examine the influence of warehouse management on organizational productivity in state corporations in Kenya. The specific objectives of the study were: To examine the effects of stock control on organizational productivity and to establish the effects of distribution planning on organizational productivity. The study applied a descriptive research design. The target populations of the study were the employees of the Kenya Electricity Generating Company Limited (KENGEN). Data was collected by taking a census survey on the 117 respondents by the answering of questionnaires both quantitatively and qualitatively with a pilot test first conducted with 11 respondents. It was notable that there existed a strong positive relationship between the independent variables and dependent variable. This implied that the variables were very significant therefore needed to be considered in any effort to boost organizational productivity in state corporations in Kenya. The data findings analyzed also showed that taking all other independent variables at zero, a unit increase in stock control lead increase in organizational productivity in state corporations; a unit increase in distribution planning lead to increase in organizational productivity in state corporations. This inferred that access to stock control contributed most to organizational productivity in state corporations. The most significant factor was stock control. The study recommended for the enhancement stock control and the workforce needed external guidance with regard to stock control. There was need for more time to be taken in the processes within the warehouse. The impact of stock control training as enhanced by the organization should be well established in compliance with the rules and regulations. The study recommended for the proper distribution planning enhancing organizational productivity in the state corporations. The organization should ensure that the participatory planning was adequate. A review of literature indicated that there had been limited amount of research on the organizational productivity in the Kenyan context. Thus, the findings of this study serve as a basis for future studies on role of warehouse management on the organizational productivity in other organizations in Kenya.

Key Words: *Stock Control, Distribution Planning, Organizational Productivity*

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INTRODUCTION

Warehouse management primarily refers to the coordination of the movement and storage of materials within a warehouse and processes associated and transactions, including shipping, receiving, put-away and picking. Warehousing is one of the important auxiliaries to trade. It creates time utility by bridging the time gap between production and consumption of goods. The effective and efficient management of any organization requires that all its constituent elements operate effectively and efficiently as individual SBUs / facilities and together as an integrated whole corporate. Across the supply chains, warehousing is an important element of activity in the distribution of goods, from raw materials and work in progress through to finished products .It is integral part to the supply chain network within which it operates and as such its roles and objectives should synchronize with the objectives of the supply chain. It is not a 'Stand-alone' element of activity and it must not be a weak link in the whole supply chain network. (Ramaa & Allaini, 2012).

Aberdeen's warehousing analysis points to a number of pressures compelling warehousing logistics professionals to investigate productivity solutions. Dynamic fuel costs have professionals up and downstream in the supply chain scrambling to find cost-cutting measures and higher operating efficiencies. Similarly, ever-rising square footage expenses are forcing enterprises to think critically about maximizing productivity within their current distribution footprint – as opposed to bringing another site online. Large enterprises continue to seek to reduce the number of stocking locations and drive more productivity from the remaining distribution centers. (Aberdeen Group, 2013)

These cost and space pressures outweigh the pressures to improve operations because of rising customer demands for faster and more tailored fulfillment. However, the best performing companies are focused on winning in both these dimensions: by creating faster throughput and more workflow agility in their warehouses, they are able to satisfy customer demands while lowering logistics costs. An increasingly vital part of any warehouse operation is an enterprise's ability to deliver on customer demands in a timely fashion. The ability to fulfill orders rapidly reflects on a warehouse's overall operations – software, human capital, systems, equipment, etc. However, 58% of companies report that they have not been able to shorten their order fulfillment times since 2004. The median customer order cycle time for survey respondents is two days, from time of order receipt to warehouse shipment. (Aberdeen Group, 2013)

However, to date in most organization, both analysts and managers have been relatively unsuccessful in convincing top management to give this area the due consideration that it logically deserves Inventories are basically stocks of resources held for the purpose of future production and/or sales. Inventories may be viewed as an idle resource which has an economic value. Better management of inventories would release capital for use elsewhere productively; Hence Inventory control implies the coordination of materials accessibility, controlling, utilization and procuring of material. The direction of activity with the purpose of getting the right inventory in the right place at the right time and in the right quantity is inventory control and it is directly linked to productivity of the warehouse. (Zhang & Vonderembse, 2012)

In the United States of America, According to the Aberdeen Group (2013), research on the improvement of warehouse and distribution center

performance deduced that for many companies, improved warehouse and distribution center productivity remains a goal, not a reality. Although companies' top focus in warehouse improvement is cutting logistics costs, six out of ten respondents report that they have not been able to lower costs in the last two years. A majority of companies have also been unable to reduce customer order cycle times. However, a segment of companies have been able to reduce both costs and cycle times. These top performers are leveraging more technology, have better data visibility, and work harder at cross-training their staffs. Across the board, companies that are above average warehouse performers in their industry classified as Best in Class companies have been much more likely than their peers to have significantly lowered their warehousing costs in the last twenty four months.

In Nigeria, In Nigeria, the size of industry, small, medium, and large scale, has a significant effect on both the numerical strength of staff and level of involvement in stock control of both raw material and the finished product. The type of inventory system in practice in any organization depends on many factors among which are economic stability of the place, infrastructural facilities available, transportation network and many more which are called constraints. For many companies the root cause of underproduction stoppages and high production cost could be easily traced to unscientific method of arriving at a general inventory policies and crucial inventory decisions. The situation is more acute in a developing country like Nigeria, where the practical application of operation research techniques in industry and business enterprise is in its infancy. Moreover, the bulk of raw material inventory and the finish goods inventory used by companies in developing countries have to be imported from the industrial nations of Europe, America and Asia, which gave rise to higher cost of procurement and higher uncertainty in the availability of such basic raw materials. (Ogbo & Ann, 2014).

In Kenya, Warehouse management have been impacted by Many business organizations spend a lot of resources installing warehouse management systems with the aim of minimizing their total operating costs, and enhance service delivery to customers. Many Institutions within East African Community (EAC) have trouble resulting from operating losses and cash flow problems. Quite often, piles of obsolete stock are seen within the premises of these institutions, resulting in huge write offs eating into the bottom line of these institutions. Many a times, stock outs are also experienced resulting in high customer turnover and therefore low sales and poor service delivery to customers. Stock control normally becomes reportable issues (condition) and is always raised in the management letters to many institutions where very little attention is given in the management of inventories as records are inadequate thus the entire warehouse management system seems to have failed (Lizardo & Jaqob, 2009).

Kenya Electricity Generating Company Limited, KenGen is the leading electric power generation company in Kenya, producing about 80 percent of electricity consumed in the country. The company utilizes various sources to generate electricity ranging from hydro, geothermal, thermal and wind. Hydro is the leading source, with an installed capacity of 766.88MW, which is 64.9 per cent of the company's installed capacity. KenGen has a workforce of 2,209 staff located at different power plants in the country. With its wealth of experience, established corporate base and a clear vision, the company intends to maintain leadership in the liberalized electric energy sub-sector in Kenya and the Eastern Africa Region (Kengen, 2015)

Statement of the Problem

An increasingly vital part of any warehouse operation is an enterprise's ability to deliver on customer demands. However, 58% of companies report that they have not been able to shorten their order fulfillment times since 2004. Historical data and projections of future order volume and activity are being mined by companies to improve warehouse slotting and better plan labor workloads, staff training programs, and labor productivity metrics down to a task level (Zhang, 2012).

Parastatals in Kenya have spend a lot of resources installing stock control systems with the aim of minimizing their total operating costs, and enhance service delivery to customers. However, many audits done reveal that there is an increased level of discrepancies in the manner in which the stock control systems are harmonized. On a number of occasions, there are cases of misstatements and inaccurate and fraudulent records detected within the system thus resulting to losses of inventory within the warehouse. Quite often, piles of obsolete stock are seen within the premises of these institutions, resulting in huge write offs eating into the bottom line of these institutions. Many a times, stock outs are also experienced resulting in high customer turnover and therefore low sales and poor service delivery to customers. Stock control normally becomes reportable issues (condition) and is always raised in the management letters to many institutions where very little attention is given in the management of inventories as records are inadequate (Lizardo, 2009).

Data from World Bank show that Kengen lost 5 Billion relating to procurement scandal (WB, 2012). According to the World Bank (2012), there were serious irregularities surrounding the award of a multi-million dollar contract by Kengen to Green Energy Group AS of Norway, which was awarded the contract 18 months after being registered, suggesting that it may have been formed and designed for the sole purpose of channeling such dubious contracts.

The company was initially awarded a contract to supply one wellhead in Olkaria in December 2009. The contract was cut shortly after varied to enable the company supply and install 14 additional wellheads at KES 8.5 billion. The first issue raised by World Bank arose from the fact that though the initial wellhead turned out to be defective, Kengen went ahead and awarded the company a bigger contract to supply and install more. In a separate issue, the World Bank, further alleged serious breaches of the law and other irregularities in the award of a contract for drilling wells to Great Wall Drilling Company of China between 2007 and 2008. The initial award to the company was for the drilling of 6 wells. However, without competitive bidding, the company was given a further 15 wells to drill at an increased cost of 11.2 per cent of the initial contract. This was a violation of the Public Procurement and Disposal Act (PPDA), which prohibit any entity from changing the substance of a tender once it has been awarded(Kenya General Auditors Report, 2011) It is therefore against this background that this study went out to examine the influence of warehouse management on organizational productivity in state corporations with management emphasis on the stock control and distribution planning.

Objectives of the Study

The general objective of this study was to examine the influence of warehouse management on organizational productivity in state corporations in Kenya. The specific objectives of the study were to:

- Find out how stock control influence organizational productivity in state corporations in Kenya.
- Examine the how distribution planning influence organizational productivity in state corporations in Kenya.

LITERATURE REVIEW

Theoretical Review

KirkPatricks' Learning and Training Evaluation Theory

To investigate the influence of staff competency on procurement performance, the study will be based on competency theory. Donald L. Kirkpatrick (2004), developed a theory with an approach of the evaluation of training and learning in an organization with a framework of four 'levels' of criteria. Training evaluation models delineates four levels of training outcomes namely reaction, learning, behavior and results. Level one entails the assessment of the training participants' reaction to the program; discussing how well they liked the program.

Measures have changed and now most commonly directed to assessing the trainees' effective response to quality for example the relevance to their field, ability of the instructor on training. Level two are the learning measures of which are quantifiable indicators that learning has taken place during the course of the training. Level three on behavior indicates either which knowledge or skills have been gained results in exceptional job related performance and interactions. The final Level Four on results dwells on the outcomes that intended to provide a measure on impact that training has on the broader organizational goals and objectives, for example for many organizations dwell on financial measures. (Kirkpatrick, 2004)

Education is held to be central to sustainability. Indeed, education and sustainability are inextricably linked, but the distinction between education as we know it and education for sustainability is enigmatic for many. For the training and development of professional on the adaptation of new regulations and measure that will change their way of work, it would be prudent to show the results that would be critical as in our case to the success of the implementation of processes that aid warehouse management. (McKeown, Rosalyn and Charles A. Hopkins, 2008).

According to research conducted in the United States of America by the Aberdeen group between 2004 and 2014, The Best in Class companies are more likely to invest in employee cross-training. Top performers routinely train employees on a number of tasks in the warehouse, allowing many associates to respond to inventory fluctuations or other issues that may arise. Average performers have also done this to a smaller degree, primarily training their employees on an ad hoc basis. Laggards more rigidly tether associates to a discreet task within the warehouse environment (Aberdeen, 2013).The theory would well define the specific objective to analyze the effects of staff competencies on organizational productivity as expounded above, KirkPatricks' theory on training and development will assess staff competencies and explore on areas of further development.

Agency Cost Theory

The growth in end-user computing (EUC) in organizations and its implications for the degree of centralization of the information services function have led to the need for a theory that will assist in the management of this process. The agency theory describes the development of ICT investment in organizations. The dramatic decline in the costs of hardware and the trend towards the increased power of microcomputers and minicomputers has

enabled significant growth in ICT investment. This trend has implications not only for the management of EUC but also for the degree of centralization of the Information Systems (IS) function in organizations. (Williamson 2005).

Therefore, there has been increased focus on the organizational issues surrounding EUC, as evidenced by senior IS executives' responses in several recent surveys. The key issues that arise in an agent-theoretic analysis of the management of ICT are an identification of the economic actors and their objectives, an analysis of how these objectives result in conflict, and an analysis of the nature of the resulting organizational costs. These issues must be considered in conjunction with the microeconomic and technological characteristics of the ICT environment to determine the optimal strategies for the management of ICT resources. (Williamson 2005).

Eisenhardt (1989) has articulated the usefulness of agency theory in analyzing managerial problems characterized by goal conflicts, outcome uncertainty, and unprogrammed or team-oriented tasks. Many ICT activities fit this description, and it has been suggested that a large number of organizational problems in the management of ICT can be analyzed successfully in an agency context (Gurbaxani and Kemerer 1989; Beath and Straub 1989; Robey and Zmud 1989; Klepper 1990).
The design of effective control mechanisms for IS activities is particularly difficult, since the agency relationship occurs in a dynamic, rapidly changing environment and management practices have little time to stabilize (Nolan 1979; Gurbaxani and Mendelson 1990). An alternative approach would be transaction cost economics, an approach with similarities to agency theory in its emphasis on information and uncertainty (Williamson 2005).

However, as noted by Eisenhardt (1989), agency theory distinguishes itself from transaction cost theory by its inclusion of the notions of risk aversion and information as a commodity.? This theory would hence well define the specific objective to establish the effects of technological resources on organizational productivity, and will support and better relate the variables to be discussed with the effects of warehouse management on organizational productivity.

Conceptual Framework

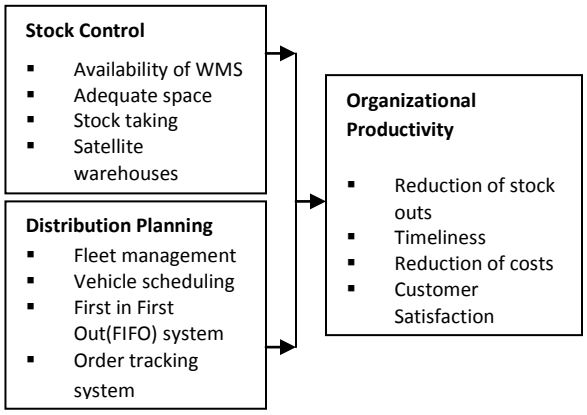

Figure1: Conceptual Framework

Stock Control

Inventory Control is primarily about specifying the size and placement of stocked goods. Inventory management is required at different locations within a facility or within multiple locations of a supply network to protect the regular and planned course of production against the random disturbance of running out of materials or goods. The scope of inventory Control and management also concerns the fine lines between replenishment lead time, carrying costs of inventory, asset management, inventory forecasting, inventory valuation, inventory visibility, future inventory price forecasting, physical inventory, and available

physical space for inventory, quality management, replenishment, returns and defective goods and demand forecasting. Balancing these competing requirements leads to optimal inventory levels, which is an on-going process as the business needs shift and react to the wider environment (Ghosh and Kumar, 2003).

Rosenblatt (2007) says: "The cost of maintaining inventory is included in the final price paid by the customer. Good in inventory represent a cost to their owner; the manufacturer has the expense of materials and labour. The wholesaler also has funds tied up." Therefore, the basic goal of the manufacturers is to maintain a level of inventory that will provide optimum stock at lowest cost. Inventory management in its broadest perspective is to keep the most economical amount of one kind of asset in order to facilitate an increase in the total value of all assets of the organization human and material resources. Major objective of inventory management and control is to inform managers how much of a good to re-order, when to reorder the good, how frequently orders should be placed and what the appropriate safety stock is, for minimizing stock-outs. Thus, the overall goal on inventory is to have what is needed, and to minimize the number of times one is out of stock.

Distribution Planning

Government agencies need to examine and, where appropriate, adopt contemporary planning and delivery strategies such as alliance contracting (simple alliances; design, construct and maintain alliances; structured alliances; and programs of alliances).approaches include sole invitees, early contractor involvement in planning, multi-agency bundling, end-to-end plan bundling, design consultancies, public private partnerships (PPPs), and project management consultancies. Contracts can be well managed by the foundation of a successful plans and spend intelligence system that is standardized product and vendor coding, coupled with the automatic capture, processing, and presentation of information for use by decision makers. (SDPC, 2009)

This provides the capacity to focus on the activity, performance standards, and results achieved in respect to the work involved in the planning for, the establishment and subsequent management and use of supply arrangements. This helps to ensure the organization achieves maximum spending leverage in supply negotiations. It also ensures consistent and thorough market analysis, costing measures, and compliance methods are applied to each expenditure category. (SDPC, 2009)

In Kenya, the government has moved forward to ensure that all its agencies ensure that sufficient expertise will be introduced to assist professional/technical staff to properly undertake the various phases of planning. The main areas to target are the scoping of requirements, the analysis of supply markets and contract management. Most agencies also reported that the procurement capability of these service delivery and technical/professional areas was sufficient to produce an adequate or satisfactory result. (Lizardo, 2013)

Organizational Productivity

Organizational productivity comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard, Devinney, Yip and Johnson (2009) organizational productivity 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) hareholder return (total shareholder return,

economic value added. Performance is referred to as being about doing the work, as well as being about the results achieved. It can be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of an organization, customer satisfaction and economic contributions (UN, 2003).

Organizations have an important role in our daily lives and therefore, Continuous performance is the focus successful organizations represent a key ingredient for developing nations. Continuous performance is the focus of any organization because only through performance organizations are able to grow and progress. Thus, organizational performance is one of the most important variables in the management research and arguably the most important indicator of the organizational performance. In the '50s organizational performance was defined as the extent to which organizations, viewed as a social system fulfilled their objectives (Reeve & Jang, 2006).

Productivity is a set of financial and non-financial indicators which offer information on the degree of achievement of objectives and results; productivity is dynamic, requiring judgment and interpretation; Productivity may be illustrated by using a causal model that describes how current actions may affect future results; Nohria, Joyce & Roberson (2003) asserted that there are others who have suggested that the leadership is a key element that ensures the connection between the success factors of an organization. In addition is innovation and development. The innovative capacity of organizations is a dimension less surprised in organizational diagnostic models although there are numerous studies that have been focused on identifying impact of the innovative capacity on performance (Kotler, 2013).

Empirical Review

Stock Control

A study by Dimitrios Koumanakos (2010) on the Effect of Inventory Management on Firms performance states that: Managing assets of all kinds can be viewed as an inventory problem, for the same principles apply to cash and fixed assets. The tradeoff between ordering costs and holding costs characterizes the transactions approach to inventory management represented by the EOQ models of inventory developed many decades ago. In the recent years, as the field of operations management has developed, many new concepts have been added to the list of relevant inventory control topics.

These more management oriented concepts include the materials requirements planning systems (MRP) Just-In-Time (JIT) and ERP methods while another emerging stream of studies postulate that the characteristics of a firm's demand and marketing environments also play an important role. In determination of optimal corporate inventories, notwithstanding the theoretical and practical short comings inherent in these concepts and techniques, their application in real business life should have an effect on firm's performance (Koh, Demirbag, Tatoglu and Zaim, 2007). Building on this situation, the purpose of this study is to investigate the relationship, if any, between inventory management practices and financial performance of sugar parastatals firms in Kenya. Inventory Management is viewed as a significant blend of the key performance determinant variables in sugar industry. Inventory management and control are crucial to a firm because mismanagement of inventory threatens a firm's viability (Sprague and Wacker, 1996). Too much inventory consumes physical space, creates financial burden, and increases possibility of damage, spoilage and loss. (Womack, *et al,* 2010)

Distribution Planning

A report by the SDPC (2009): Organizational planning is an existing requirement of the governments managemnt policy. It is a methodology for determining how to position, resource, and operate the agency's functions to best support service delivery. The purpose of a executive management as an organizations' authority receiving the plans is to: review the plans in terms of quality and completeness, enable independent advice, guidance and support to agencies in establishing and maintaining appropriate procurement capability and performance management systems, allow a central authority to take a high level view of Government business to identify and prioritize opportunities for more agency collaboration, and improve business outcomes through more active management of common areas of expenditure, and contribute to a consolidated annual report to Government on the capability and performance of the sector's procurement.

Governments have organized procedures, resources and systems to consistently employ and align all plans to strategies those related to business objectives. Overall, enterprises employing these approaches in a consistent and integrated method outperformed peers in cost savings, expenditure under management, compliance, supplier integration, and greater contribution to enterprise value. This is possible when the plans have been well orchastrated with the addition of internal and external involvement as the government tries to meet its budgeted public expenditure. Actually, procurement professionals can provide policy makers with valuable information in their planning mainly pre-procurement cycle phases, including needs assessment, and procurement program authorization and appropriation. The information is critical in planning as a major source of feedback for budgetary adjustment, improvement, or reform. (Thai, 2009)

Organizational Productivity

According to a study by Faber, *et al* , (2012): Warehousing takes up to between 2% and 5% of the cost of sales of a corporation and with today's highly competitive global business environment organizations are emphasizing on Return on Assets, and hence minimizing warehousing costs has become an important business issue. Many firms are automating their basic warehousing functions to achieve the increase in throughput rates or inventory turns required for their warehousing operations to be cost effective. It is necessary to allocate warehouse resources efficiently and effectively to enhance the productivity and reduce the operation costs of the warehouse.

One vital area determining the efficiency of warehouse is the determination of the proper storage locations for potentially thousands of products in a warehouse. Various factors affecting the storage assignment like order picking method, size and layout of the storage system, material handling system, product characteristics, demand trends, turnover rates and space requirements are been extensively studied. It has been suggested that selecting appropriate storage assignment policies (i.e. random, dedicated or class-based) and routing methods (i.e. transversal, return or combined) with regards to above factors is a possible solution to improve the efficiency. Various decision support models and solution algorithms have also been established to solve warehouse operation planning problems (Poon, *et al*, 2009)

RESEARCH METHODOLOGY

The study employed descriptive research design as according to Mugenda &Mugenda (2012) it reports the study the same way as it is without variations from the collected data. The target population in

this study was 117 employees; the study targeted each division that was involved in the procurement process at KEGEN head offices. The study selected four categories that results in dividing the target population into four categories, classified as Human resource & Administration, Finance & control, Legal and Audit divisions. This study used structured questionnaires to obtain information from study respondents. The study collected quantitative and qualitative data. Quantitative data was analyzed using statistical package for social science (SPSS) version 24.

DATA ANALYSIS, PRESENTATION AND DISCUSSIONS

From the data collected, out of the 117 questionnaires administered, 71 questionnaires were fully completed and returned making a response percent of 60.29%. Further the study sought to determine the gender distribution of the respondents in order to establish if there was gender balance in the positions indicated. The findings indicated that, majority (53%) were male respondents with (47%) being females respondents. The results indicate that the two genders were adequately represented in the study since there was none which was more than the two-thirds. The study established the respondent's age distribution. The findings indicated that majority (45%) ranged between 41-50 years, followed by those who indicated that they were 51 and above years with few (15%) and (5%) and indicating that they were 31-40 years and 20-30 years respectively. This implied that respondents were well distributed in terms of their age during the study. The study further found it of paramount to determine the respondents' level of education in order to ascertain if they were well equipped with the necessary knowledge and skills for the running and the overall management of the state corporations. From the study findings majority (40%) indicated that they had university first degree, followed by those who indicated that they had diploma at (33%) with few (14%) indicating that they had master's degree and (7%) doctorate qualification respectively and this implied that respondents were well educated and that they were in a position to respond to research questions with ease. The study sought to determine how long the respondents had been in the organization, this was to ascertain to what extent their responses could be relied upon to make conclusions for the study based on experience. The findings indicated that majority (40%) of the respondents indicated that they had been in the organization for a period ranging from 5-9 years followed by those who indicated that they had been in the organization for a period of 10-19 years, (20%) indicating that they had 0-4 years and with only few (10%) indicating that they had been in organization for a period more than 20 years.

Stock Control

This section presented findings to survey questions asked with a view to establish the influence of stock control on organizational productivity in state corporations in Kenya. Responses were given on a five-point likert scale (where 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1= Strongly Disagree). The scores of 'strongly disagree' and 'disagree' had been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4.

A majority of respondents were found to highly agree that the workforce needed external guidance with regard to stock control (3.8765); More time had to be taken in the processes within the warehouse (3.0985); The organization had inventory control measures in place (3.7653); The

impact of training as enhanced by the organization had been established in compliance with the rules and regulations (3.7615); The warehouses under management of the organization were frequently evaluated (3.2312); The organization had adequate warehouse space to hold additional stock (3.5123); The organization had stock control systems available (2.9083); The performance contracts are an impediment to works (3.6430); Internal and external controls were rarely monitored(3.8156); The workforce needs external guidance with regard to stock control (3.7136). This was in agreement with Rotich (2011) who offers that other issues affecting stock control in warehouse management have to do with core objectives of stock out reduction. The major objective of inventory management and control is to inform managers how much of a good to re-order, when to reorder the good, how frequently orders should be placed and what the appropriate safety stock is, for minimizing stock-outs. Thus, the overall goal on inventory is to have what is needed, and to minimize the number of times one is out of stock.

Table 1: Stock Control

Stock Control	Mean	Std. Dev
The workforce needs external guidance with regard to stock control	3.8765	.5682
More time has to be taken in the processes within the warehouse	3.0985	.6134
The organization has inventory control measures in place	3.7653	.9843
The warehouses under management of the organization are frequently evaluated	3.7612	.0067
The organization has adequate warehouse space to hold additional stock	3.2312	.4318
The organization has stock control systems available	3.5123	.5225
The performance contracts are an impediment to works	2.9083	.3241
Internal and external controls are rarely monitored	3.6430	.5360
Collaboration is hindered by self interests	3.8156	.5137
The workforce needs external guidance with regard to stock control	3.7135	.4976

Distribution Planning

This section presented findings to survey questions asked with a view to establish the influence of distribution planning on organizational productivity in state corporations in Kenya. Responses were given on a five-point likert scale (where 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1= Strongly Disagree). The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.4.

A majority of respondents were found to highly agree that measuring the quality of warehouse performance was difficult (3.461); The organization has made internal assessment when planning (2.9873); The distribution planning has ensured timely delivery (3.0902); The organization ensure the participatory planning is made (3.2132); There is need identification and is well evaluated when planning (3.0098); The organization has made external assessment when planning that would affect organizational productivity (3.2134); The staff is well trained in the existing IT services provided (3.2145); The performance contracts are an impediment to works (3.9032); The organizations does not deviate from the plans (3.8156). The resistance to the plans by various departments does not affect performance (3.1263). The study is in tandem with literature review by Maanzo (2013) who established that distribution planning influence organizational productivity. The government agencies need to examine and, where appropriate, adopt contemporary planning and delivery strategies such as alliance contracting (simple alliances; design, construct and maintain alliances; structured alliances; and programs of alliances).approaches include sole invitees, early contractor involvement in planning, multi-agency bundling, end-to-end plan bundling, design consultancies, public private partnerships (PPPs), and project management consultancies. This provides the capacity to focus on the activity, performance standards, and results achieved in respect to the work involved in the planning for, the establishment and subsequent management and use of supply arrangements. This helps to ensure the organization achieves maximum spending leverage in supply negotiations. It also ensures consistent and thorough market analysis, costing measures, and compliance methods are applied to each expenditure category.

Table 2: Distribution Planning

Distribution Planning	Mean	Std. Dev
Measuring the quality of warehouse performance is difficult	3.4561	.2341
The organization has made internal assessment when planning	2.9873	.4321
The distribution Planning has ensured timely delivery	3.0902	.5634
The organization ensure the participatory planning is made	3.2132	.6721
There is need identification and is well evaluated when planning	3.0098	.4320
The organization has made external assessment when planning that would affect organizational productivity	3.2134	.4178
The staff is well trained in the existing IT services provided	3.2145	.7524
The organizations does not deviate from the plans	3.9032	.9218
Resistance to the plans by various departments does not affect performance	3.1263	.3167

Organizational Productivity in State Corporations

The study sought to determine organizational productivity in state corporations, attributed to the influence of stock control and distribution planning. The study was particularly interested in three key indicators, namely reduction of stock outs and timely Purchases-stock out reduction and customer satisfaction, with all the three studied over a 5 year period, running from 2012 to 2016.

Findings in Table 3 below reveal poor organizational productivity in state corporations across the 5 year period running from the year 2012 to 2016. Reduction of stock outs low but positive productivity with a majority affirming to less than 10% in 2012 (32.3%) and 2013 (47.7%), to 10% in 2014 (26.1%) then more than 10% in 2015 (11.1%) and 2016 (17.5%). A similar trend was recorded in cost reduction, productivity from less than 10% (34.1%) in 2012, to more than 10% in 2013 (36.4%), 2014 (20.4%) and 2016 (27.3%). Customer satisfaction recorded low but positive productivity with a majority affirming to less than 10% in 2012 (32.3%) and 2013 (47.7%), to 10% in 2014 (26.1%) then more than 10% in 2015 (11.1%) and 2016 (17.5%). Timely Purchases-stock out reduction further low positive growth with a majority affirming to less than 10% in 2012 (27.9%) and 2013 (35.9%), to 10% in 2014 (25.9%) and 2054 (25.3%) then by more than 10% in 2016 (26.2%).

Table 3: Organizational Productivity in State Corporations

Reduction of Stock Outs	**2012**	**2013**	**2014**	**2015**	**2016**
Increased by less than 10%	42.3	37.7	31.6	30.7	29.5
Increased by 10%	31.8	32.9	36.1	28.2	33
Increased by more than 10%	25.9	29.4	32.3	41.1	37.5
Timeliness	**2011**	**2012**	**2013**	**2014**	**2015**
Increased by less than 10%	44.1	35.2	33.4	25.7	27.1
Increased by 10%	31.7	32.6	30.2	33.9	35.6
Increased by more than 10%	23.5	32.2	36.4	40.4	37.3
Reduction of Costs	**2011**	**2012**	**2013**	**2014**	**2015**
Increased by less than 10%	37.9	35.9	31.2	25.7	33.1
Increased by 10%	36.2	31.3	35.9	35.3	30.7
Increased by more than 10%	25.9	32.8	32.9	39	36.2
Customer Satisfaction	**2011**	**2012**	**2013**	**2014**	**2015**
Increased by less than 10%	37.9	35.9	31.2	25.7	33.1
Increased by 10%	36.2	31.3	35.9	35.3	30.7
Increased by more than 10%	25.9	32.8	32.9	39	36.2

CONCLUSIONS AND RECOMMENDATIONS

From the descriptive statistics, the study established that majority of respondents were found to highly agree that the workforce needs external guidance with regard to stock control. There is need for more time to be taken in the processes within the warehouse. The organization does not have adequate inventory control measures in place. The impact of training as enhanced by the organization has been established in compliance with the rules and regulations. The warehouses under management of the organization are frequently evaluated. The organization has adequate warehouse space to hold additional stock. The organization has stock control systems available. The performance contracts are an impediment to works. Internal and external controls are rarely monitored. The workforce needs external guidance with regard to stock control.

Descriptive analysis results showed that majority of respondents were found to highly agree that measuring the quality of warehouse performance is difficult in the organization. The organization has made internal assessment when planning. The distribution planning has ensured timely delivery. The organization ensures the participatory planning is made to a low extent. There is need identification and is well evaluated when planning. The organization has made external assessment when planning that would affect organizational productivity to a low extent. The respondents disagreed that the staff is well trained in the existing IT services provided. The performance contracts are an impediment to works. The organization does not deviate from the plans. The resistance to the plans by various departments does not affect performance

The study established that there was poor organizational productivity in state corporations across the 5 year period running from the year 2012 to 2016. Reduction of stock outs low but positive productivity with a majority affirming to less than 10% in the last five years A similar trend was recorded in cost reduction, customer satisfaction recorded low but positive productivity with a majority affirming to less than 10% and timely Purchases-stock out reduction further low positive growth. It can be deduced from the findings that key organizational productivity indicators have lowly improved as influenced by among other warehouse management attributes, stock control and distribution planning. Both the independent variables were found to have a statistically significant association with the dependent variable at ninety-five level of confidence. Analysis of variance was further done and it was established that there was a significant mean. This is since the p values of their coefficients were all less than 0.05.

Conclusions of the Study

The study established that stock control influence organizational productivity in state corporations in Kenya. The regression coefficients of the study show that stock control has a significant influence on organizational productivity in state corporations. This shows that stock control has a positive influence on organizational productivity in state corporations. Further, the study revealed that the variable statistically and strongly correlated to organizational productivity in state corporations.

Additionally, the study found out distribution planning influence organizational productivity in state corporations in Kenya. The regression coefficients of the study show that distribution planning has a significant influence on organizational productivity in state corporations. This shows that distribution planning statistically,

strongly, positively correlated to organizational productivity in state corporations.

Recommendations of the Study

The study recommends for the enhancement stock control and the workforce needs external guidance with regard to stock control. There is need for more time to be taken in the processes within the warehouse. The organization should have adequate inventory control measures in place. The impact of stock control training as enhanced by the organization should be well established in compliance with the rules and regulations.

The study recommends for the proper distribution planning enhancing organizational productivity in the state corporations. The organization should have internal assessment when planning. The distribution planning should ensure timely delivery. The organization should ensure that the participatory planning is adequate. There is need identification and well evaluated when planning.

Suggestions for Further Studies

Due to constraints highlighted in the first chapter, this study could not exhaust all the factors of warehouse management on the organizational productivity in state corporations in Kenya. Therefore other factors affecting the organizational productivity in Kenya need to be established. A review of literature indicated that there has been limited amount of research on the organizational productivity in the Kenyan context. Thus, the findings of this study serve as a basis for future studies on role of warehouse management on the organizational productivity other organizations in Kenya.

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