FACTORS AFFECTING MATERIALS MANAGEMENT IN MANUFACTURING COMPANIES IN KENYA: THE CASE OF CROWN BERGER KENYA LIMITED

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DECLARATION

This research project is my original work and has not been presented for an award in any other institution. No part of this research may be reproduced without my consent or that of the University of Nairobi.

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ABSTRACT

Materials Management is the planning and control of the functions supporting the complete cycle flow of materials and the associated flow of information. In some company’s materials management is also charged with the procurement of materials by establishing and managing a supply base. Materials management is not a science and depending upon the relevance and importance that company officials place upon controlling material flow, the level of expertise changes. This study seeks to assess the factors affecting material management in manufacturing industries in Kenya, using the case of crown Berger Company Limited. The study identified four main independent variables namely; cycle counts, receiving errors, Production reporting errors and bill of materials. To achieve its objectives the study adopted a descriptive survey design. The target population of the study consisted of the managers and staff of the company. To draw a representative sample, the study used stratified random sampling technique to select eight managers and thirty two staff. The required data was collected through questionnaires administered to the respondents. The collected data was analyzed using thematic analysis where the response from the questionnaires were categorized into relevant themes and interpreted accordingly. From findings, the study identified that a majority of the respondents said that Incorrect Bills of Materials affected the organization’s Materials Management negatively, while all the respondents said that Inaccurate Cycle Counts of Materials affected the organization’s Materials Management negatively. A majority of the respondents stated that Receiving Errors and Production Reporting Errors affected the organization’s Materials Management negatively. The study concluded that when inventory records are inaccurate, the promised stock for customers may not be available at all, or shortages in orders may occur. These customers will either have to wait for an order to come in or get the product from a competitor, resulting in lost sales and potential loss of accounts. The study also recommends that as the materials management strategies adopted in the manufacturing organizations have an effect on their effectiveness as well as processes, it is important to adopt efficient and effective materials management procedures as these have a direct impact on the activities of the organization. Measures of addressing the management of materials should be contextualized to the organization so as to enhance effectiveness of the implementation.