International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 07 Issue: 04 | April - 2023 Impact Factor: 8.176 ISSN: 2582-3930

A STUDY ON IMPACT OF LOGISTICS PERFORMANCE ON ORGANISATION DEVELOPMENT IN SARVAM LOGISTICS PVT LTD

MR.DHINAKARAN V, MS.NIRMALA C

FACULTY OF MANAGEMENT STUDIES,

KARPAGAM COLLEGE OF ENGINEERING, COIMBATORE-641032.

ABSTRACT

Organizational development enables a company to continually improve its processes and offerings. By helping make strategic choices in all activities that the organisation does, it helps improve efficiency. This tends to produce better outputs with the same or reduced levels of inputs. Organization Development has importance for employers and employees. The main aim of the study is to analyses the impact of logistics performance on organisational development with special reference to Sarvam Logistics India Pvt. Ltd., Coimbatore. This study is to analyse the logistics management on employees' performance, marketing performance, financial performance and profitability, supply chain management strategy of the organization. The sample of this study is 120. This study empirically looked at the relationship between logistics performance and organisational development. Descriptive research method and convenience sampling technique have been adopted in the study. Primary data and secondary data have been used to collect the data. Questionnaire has been framed to collect the primary data. The sample size of the study is 120. Data is collected only employees of the company. Sampling unit is Coimbatore. Simple percentage analysis, Chi square analysis and correlation have been applied to reach the findings of the study. The results of this study support the broad contention that manufacturers should focus on strengthening the logistics performance in which they operate. Successful adoption of a logistics management strategy requires a supply chain focus and efforts by managers to strengthen linkages with both suppliers and customers. These stronger relationships result in improved performance of logistics related functions such as supply chain, purchasing and selling. In

this particular case, an effective logistics performance resulted in improved productivity and profitability, which in turn led to improved organisational performance.

INTRODUCTION

Logistics is used more broadly to refer to the process of coordinating and moving resources – people, materials, inventory, and equipment – from one location to storage at the desired destination. The term logistics originated in the military, referring to the movement of equipment and supplies to troops in the field. Logistics is the process of planning and executing the efficient transportation and storage of goods from the point of origin to the point of consumption. The goal of logistics is to meet customer requirements in a timely, cost-effective manner. Although many small businesses focus on the design and production of their products and services to best meet customer needs, if those products cannot reach customers, the business will fail. That's the major role that logistics plays. But logistics also impacts other aspects of the business, too.The more efficiently raw materials can be purchased, transported, and stored until used, the more profitable the business can be. Coordinating resources to allow for timely delivery and use of materials can make or break a company. And on the customer side, if products cannot be produced and shipped in a timely manner, customer satisfaction can decline, also negatively impacting a company's profitability and long-term viability.Logistics management is conventionally defined as the process that has the responsibility to ensure the delivery of the right product at the right place at the right time in right quantities. Logistics management is a supply chain management component that is used to meet customer demands through the planning, control and implementation of the effective movement and storage of related information, goods and services from origin to destination. Logistics management helps companies reduce expenses and enhance customer service. Logistics management is one of the time and cost saving strategies of business organizations. It is now being related to supply chain management. Supply chain has become important to companies to gain competitive advantage in terms of speed and cost of delivery of products and services to customers. Marketers therefore should have a good understanding of the goals of logistics and value chains. The logistics management process begins with raw material accumulation to the final stage of delivering goods to the destination.

OBJECTIVES OF THE STUDY

Primary objective

- To study on impact of logistics performance on organisational development with special reference to Sarvam Logistics India Pvt. Ltd., Coimbatore.

Secondary objectives

- To analyse the supply chain management strategy of the company
- To understand logistics performance of the company
- To assess the financial performance of the company
- To identify the marketing performance of the company
- To obtain suggestions from the respondents to enhance the logistics performance for organizational development

REVIEW OF LITERATURE

Richard Nondi (2015) The study established that there was an effect of logistics management on the organization performance of shipping firms in Mombasa County. It also confirmed that components such as warehouse management, inventory management, transport management and reverse logistics were highly practiced in most of the firms studied and this had a positive impact on organization performance. Based on regression analysis the study established positive beta coefficients with all variables, warehouse management (0.481),Inventory Management (0.467), reverse logistics(0.434) and transport management (0.453) The main challenge from this study was transportation management network which was mostly affected by poor road networks and long waiting processes in clearance of goods from the Kenya Ports Authority. The government needed to expedite the process of ensuring efficiency and effectiveness in the customs clearance centers at the Kenya Ports Authority. The study further established that warehouse management and reverse logistics were

crucial components in ensuring organization performance, firms need to adopt these practices in order to have a competitive edge.

Worren & Ruddle & Moore (2015) explored about how over the years people have moved from organizational development to a more holistic view which is change management. According to this article the tools used in change management and organizational development are the same but the rationale behind it is different. For example attitude surveys are used in both. In organizational development it was used to gauge job satisfaction and the climate of the organization but in change management it is part of a strategy driven and holistic change program. This article basically uses research of various other people to give us a complete picture of what change management is all about. According to them as now the scale of businesses is increasing and so is the need for having specialized firms to administer change. They talked about interventionist and integrative strategies. Interventionist strategies are used in organizational development where as integrative strategies are used in change management.

Van de Ven & Poole (2015) through their research gave a theoretical overview of how development and change management basically occurs. The article classifies four types' development theories namely; life-cycle theory, teleological theory, dialectical theory and evolutionary theory. The authors were of the opinion that these basic theories can be used to explain how change occurs in the organization. To explain that they developed a framework with these four theories and classified companies based on the mode and unit of change at various levels of organizational development. The conclusion they drew from their research was that as the organization grew in size the motors of change also get more complex because comes into play at once.

Bloodgood & Salisbury (2016) talks about that organizations' can implement change and gain and maintain a completive advantage but this cannot be achieved by knowledge creation alone. Knowledge transfer and knowledge protection is equally important. The authors have used the Resource-Based View (RBV) to explain how both types of information i.e. explicit and tacit can help in the change process and how they can be transferred to achieve long-term benefit. In the paper they identified knowledge creation as a process which is based on creativity and a shared knowledge between a group of people which can be used to make new products as well as management strategies. The authors went on to stress that it is not just creating knowledge.

It would be of no use if other can get that information from your company easily or it can be altered. So the protection of the knowledge is equally important for a business to remain competitive. To ensure its safety security and legal measure should be used.

Palevich (2016) The performance of an organization is evaluated by how it reduces cost or increases value. Firms' performance monitoring is important; in many industries, the supply chain represents roughly 75 percent of the operating budget expense Palevich,(1999). Three common measures of performance are used when evaluating performance: efficiency, responsiveness and effectiveness. This is due to the fact that it is the only mode which can be used for the transport of large consignments by providing the best cost effective alternative compared to other existing alternatives such as rail, road and air. This explains why almost 90 percent of the European's Union's trade with developing countries and over 30 percent of the intra-community trade is done with the use of sea transport ESPO

Leavitt (2017) suggested that organizations could be developed or changed by altering one or more of three major variables -- people, structure and technology. Peters and Waterman (2018) widened the range of variables in their adoption of a seven -item framework in their analysis of ―excellence‖ in major American companies contained in their book ―In Search of Excellence‖. This is known as Mckinsey 7s framework which comprised of the following elements of organizations, like System, Strategy, Staff, Structure, Style, Shared Values as discussed first chapter

Based on the work of Lawler (2017), organization development examined how rewards affect the organization performance, and thisled to interventions aimed at making rewards more contingent on performance. One method that has grown in popularity over the past two decades is called gain sharing. It involves paying organization members a bonus based on measurable gains in performance over some baseline standard. Gain sharing typically covers all members of a particular business unit and includes only performance measures that members can control.

Biederman (2017) Many firms have had persistent problems in managing their logistics operations, majorly because of lack of enough qualified manpower to perform the respective operational and strategic responsibilities of their logistics function. This is because logistics job growth has outpaced the number of

graduates over the past few years. Biederman (2007) in his study about logistics education established that it was not a surprise that the mismatch between supply and demand for logistics and supply chain college graduates has characterized the past two decades. According to the Council of Logistics Management, only 139 out of 1000 colleges offer logistics related courses. The recognition of logistics as strategically important is rather low but significantly growing. The shipping industry in Kenya is also rapidly expanding and logistics management forms the backbone of their operations

RESEARCH METHODOLOGY

A research methodology definition is: specific techniques for collecting and analyzing data in order to uncover new information. Research methodology provides a strategy by which the researcher can plot out a systemic process to understand a phenomenon. When trying to understand a problem or phenomenon, different methods need to be used depending on the data available as well as how relevant available data may be.

RESEARCH DESIGN

A research design is an overall plan or structure for a research project. A research design will use different combinations of primary, secondary, qualitative, and quantitative data.

Type of Research

Descriptive research design is used in this study.

Descriptive Research Design

Descriptive research design is employed to describe the market or respondents' characteristics. This type of research design generates quantitative information. Therefore, such a design would often involve surveys.

SOURCES OF DATA

Data required for the study have been obtained from workers. The primary data was collected from well-furnished interview schedule is given. While deciding about the method of data collection to be used for the study, the researcher should keep in mind two types of data.

- Primary data
- Secondary data

Primary Data

Primary data are original observations collected the researcher or by his agents for the first time for any investigation and used by them in the statistical analysis. This primary source includes definition of terms and units used. It is essential that the investigator understand the meaning of units in which data are record. The primary source also includes a copy of the schedule used in data collection together with the procedure used in data selecting the sample and the size of the sample`

Methods of collecting the primary data

Questionnaire

Secondary Data

Secondary data means data that are already available that is, they refer to the data which have already been collected and analyzed by someone else. When the research utilized secondary data, then they have to look into various sources form where they can obtain them. Methods of collecting secondary data are books. e.g. journals, newspaper, magazines, internet, report and publications of various associations connected with industries.

Questionnaire Construction

A questionnaire consists of a number of questions printed or typed in a definite order on a form or set forms. The respondents have to answer the questions on their own. In the questionnaire they have to types open ended and close ended questions. In the closed ended questions there are polychromous and dichotomous and ranking questions are asked.

SAMPLING DESIGN

Population

The aggregate elementary units in the survey are referred to as the population. Here it covers the entire employees of Sarvam Logistics India Pvt. Ltd., Coimbatore.

Sample Size

The study based only on the opinion and expectation of employees. Total number of sample taken for the study is 120 respondents.

Sampling Unit:

Sampling unit is in Coimbatore.

Sample design

Convenience sampling techniques were used for the study. Convenience sampling is a non-probability sampling method where the researcher selects sample members from only available and easily accessible participants.

Sampling Element:

In this study, sampling element is employees of Sarvam Logistics India Pvt. Ltd., Coimbatore.

TOOLS USED FOR ANALYSIS

The commonly used statistical tools for analysis of collected data are:

1. Percentage analysis
2. Chi Square.
3. Correlation

Percentage analysis

This method is used to compare two or more series of data, to describe the relationship or the distribution of two or more series of data. Percentage analysis test is done to find out the percentage of the response of the response of the respondent. In this tool various percentage are identified in the analysis and they are presented by the way of Bar Diagrams in order to have better understanding of the analysis.

$$\text{Percentage of respondents} = \frac{\text{Number of respondents}}{\text{Total respondents}} \times 100$$

Chi-square

Chi-square was done to find out one way analysis between socio demographic variable and various dimensions of the programme.

$$= \frac{(O - E)^2}{E}$$

O – Observed value

E – Expected value

Correlation

Correlation is a statistical technique that can show whether and how strongly pairs of variables are related. For example, height and weight are related; taller people tend to be heavier than shorter people. The relationship isn't perfect. There are several different correlation techniques.

Correlation coefficient 'r' is calculated through the following formula:

$$r=\frac{n\sum xy-\sum x\sum y}{\sqrt{\left(n\sum x^2-(\sum x)^2\right)\left(n\sum y^2-(\sum y)^2\right)}}$$

Where, x and y are values of variables, and n is size of the sample.
The value of correlation coefficient can be interpreted in the following manner:

- If 'r' is equal to 1, then there is perfect positive correlation between two values;
- If 'r' is equal to -1, then there is perfect negative correlation between two values;
- If 'r' is equal to zero, then there is no correlation between the two values.

CONCLUSION

The results of this study support the broad contention that manufacturers should focus on strengthening the logistics performance in which they operate. Successful adoption of a logistics management strategy requires a supply chain focus and efforts by managers to strengthen linkages with both suppliers and customers. These stronger relationships result in improved performance of logistics related functions such as supply chain, purchasing and selling. In this particular case, an effective logistics performance resulted in improved productivity and profitability, which in turn led to improved organisational performance.While organizational managers will likely still be evaluated on organization-level performance metrics, the route to enhancing organizational performance may well be through effective logistics performance in the future. In short, global optimization trumps local optimization.

REFERENCE

Books:

Ballou, R.H., Gilbert, S.M. and Mukherjee, A. (2000), "New Managerial Challenges from Supply Chain Opportunities," *Industrial Marketing Management*, 29, 7–18.

Bell, S.J., Whitewall, G.J. and Lukas, B.A. (2002), "Schools of Thought in Organizational Learning," *Academy of Marketing Science*, 30(1), 70–86.

Booz & Company (2007), *Keeping Inventory—and Profits—Off the Discount Rack: Merchandise Strategies to Improve Apparel Margins*, Unpublished Report, San Francisco, CA: Booz Allen and Hamilton.

Bowersox, D.J. and Closs, D.J. (1996), *Logistical Management: The Integrated Supply Chain Process*, New York, NY: The McGraw-Hill Company, Inc.

Braithwaite, A. & Hall, D. (1999), Risky Business: Critical Decisions in Supply Chain Management, *Logistics Consulting Partners*, Hertfordshire, United Kingdom: LCP Ltd.

Journals:

Kousick Biswas, Christina Carty, Rebecca Horney (2012) Clinical Infectious Diseases, Volume 55, Issue suppl_4, Pages S254–S261, https://doi.org/10.1093/cid/cis755.

Peter Tatham, Karen Spens (2016) "Cracking the humanitarian logistic coordination challenge: lessons from the urban search and rescue community" Published by John Wiley & Sons Ltd, Vol.40, issue.2, pp.246-261.

K.E.Enock, J.Jacobsb (2008) "The Olympic and Paralympic Games 2012: Literature review of the logistical planning and operational challenges for public health" Volume 122, Issue 11, November 2008, Pages 1229-1238.

P.N. T. Johnson, S. Nketia, W. Quaye (2015) "Appraisal of Logistics Management Issues in the Agro-Food Industry Sector in Ghana" Journal of Agricultural Science; Vol. 7, No. 3, pp.164-178.

Websites:

1. www.sarvam.in
2. www.sciencedirect.com
3. www.researchgate.net
4. www.wikipedia.com
5. www.scm.com