

**SUPPLY MANAGEMENT PRACTICES AND OPERATIONS
PERFORMANCE OF MANUFACTURING FIRMS IN
ROSARIO, CAVITE**

THESIS

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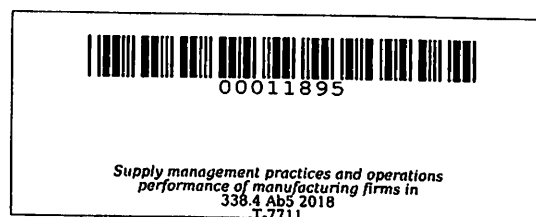
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**SUPPLY MANAGEMENT PRACTICES AND OPERATIONS PERFORMANCE
OF MANUFACTURING FIRMS IN ROSARIO, CAVITE**

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ABSTRACT

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A study on the supply management practices and operations performance of manufacturing firms was conducted in Cavite Economic Zone in Rosario, Cavite. Specifically, it aimed to: describe the profile of manufacturing firms in Rosario, Cavite; to describe supply management practices of the firm; determine the perceived operations performance of manufacturing firms, determine the significant difference of supply management practices when the participants were grouped based on business profile; and determine the relationship between supply management practices and operations performance in terms of quality of products, cost of operations, flexibility of manufacturing, dependability of production and speed of operations.

A total of 38 firms out of 53 have responded to the study from the electronics firms in Cavite Economic Zone. Data gathering procedure was done through survey questionnaire.

Results of the study showed that the firms have been operating for an average of 16 years and had an average of 486 employees. The 39.6 percent of the firms were operating for 21 to 26 years and the 78.2 percent have 20 to 518 employees.

Majority of the respondents highly implemented distribution practices while the acquisition of raw materials and inventory management of finished products were often

implemented. Operations performance has 5 dimensions and those were: a.) quality of products, b.) cost of operations, c.) speed of operations, d.) flexibility of manufacturing and e.) dependability of production. Among the five dimensions, dependability of production and speed of operations had an excellent performance with a mean of 4.59 and 4.56, respectively. While flexibility of manufacturing, quality of products and cost of operations had a high performance with the mean of 4.29, 4.06 and 3.65 respectively.

Results revealed that there were no significant difference between supply management practices when grouped based on business profile in terms of years of operation and number of employees.

However, the results showed that there is significant relationship between quality of products, flexibility of manufacturing, dependability of production and speed of operation to supply management practices. While the cost of operations did not have relationship to supply management practices.

To further strengthen the reliability of the study, it was recommended for the electronics firms to focus on cost saving measures without sacrificing the quality of products because majority of the respondents did not focused on the practices related to the costs of the firms. Electronics firms must ensure the right quantity of products before ordering and delivering to avoid last minute order.

Majority of the electronics firms were implementing supply management practices and also had operations performance but the firms were not maintaining those practices, so therefore, it was strongly recommended that electronics firms in Rosario, Cavite to acquire and to maintain professional competence to avoid loss of wealth of the firms.

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INTRODUCTION

Supply management dealt with the inflow of resources into the organization and the related management of suppliers. It was an activity that concerned with the flow of goods and services through the organization aimed at creating competitive advantage for the firm and subsequent satisfaction of end-user (Cousins & Spekman, 2003). Chen, Paulraj and Lado (2004) saw supply management as the building and managing of buyer-supplier relationships in order to sustain competitive advantage. Other researchers have argued that increasingly, firms were learning on their supply management function as a competitive tool to create and deliver value to external customers (Bernardes & Zsidisin, 2008).

According to Cavinato (2010), acquisition was a broad concept capturing the concept of the many ways an organization can acquire and use products and services. Manufacturing organizations needed raw materials for production. The need to obtain the