The Influence of Supply Chain Management Practises on Operational Performance of Quoted Manufacturing Firms in Nigeria: Procurement Outsourcing And Order Process Management View

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Abstract – The study explored the influence of supply chain management practises on operational performance in the manufacturing firms in Nigeria. Conversely, the study adopted the cross-sectional survey research design. Data were primarily sourced through administered questionnaires. A collection of four thousand, nine hundred and eighty-four (4,984) employees of all manufacturing firms listed on the Nigerian Stock Exchange (NSE) and operating in Nigeria's Edo and Delta States make up the study's population. A sample size of 370 was computed using the Yamane’s formula and same number of questionnaires was administered but 318 were found fit in testing the formulated hypotheses. Research data were analyzed, using descriptive and inferential statistical instruments. Based on the ordinary least squares regression, the study revealed that procurement outsourcing (β= 0.082974, t-Statistic= 3.049313 and p<0.05) and order process management (β= 0.349839, t-Statistic= 7.972484 and p<0.05) have positive and statistically significant relationship with operational performance of quoted manufacturing firms in Nigeria. Based on these conclusions, the study suggested that management of manufacturing firms conduct a benchmarking exercise for best players in the industry as a way to improve their procurement outsourcing practices, and that the facility and competence of order processing system should be routinely evaluated using indicators that tracked the flexibility and dependability of order handling. This would allow them to attain and keep up supply chain performance that is unmatched.  

Keywords: Manufacturing firms, Operational performance, Ordering process management, Procurement outsourcing, Supply chain management
1. Introduction

Despite their length and complexity, the supply chains of manufacturing companies must constantly develop in order for the company to survive and thrive in a cutthroat market. However, it is uncommon to achieve the requisite level of performance optimality (Sillanpaa & Kess, 2012). This is a sign that most manufacturing enterprises do poorly, especially in a developing country like Nigeria.

Organizations must fully comprehend their daily operations in order to collaborate on the supply chain, use facilities for it, and manage organizational performance. This has not recently been the case in the manufacturing sector, notably in Nigeria. In modern manufacturing sectors, supply chain management is an important business integration technique which creates a strategic advantage for the organization (Thoo, Huam, Yusoff, Rasli & Hamid, 2011). The main and most pressing issue facing numerous manufacturing companies in Nigeria includes application of ineffective supply chain management practices and procedures. That is, lack of effective suppliers’ relationship management, inadequate information flow management, poor customers’ relationship management, inadequate order process management, low level of procurement outsourcing and regulations awareness, inadequate manufacturing flow management, poor implementation of health and safety measures, use of poor material disposal procedures, ineffective communication system, application of poor goods and storage/handling procedures, lack of effective risk control measures, low level of employees’ competency, production of substandard goods/low quality products, and inappropriate production and distribution practises. However, if manufacturing firms needed to become efficient and flexible in their manufacturing methods, they needed to be acquainted with the best supply chain management strategies to manage the flow of goods from the point of production to the end user (Awino, 2011).

Moreover, most previous studies had tended to focus more on the developed world (Ketchen & Hult, 2007a&b; McKinnon, Edwards, Piecyk & Palmer, 2009; Sanchez-Rodrigues, Cowburn, Potter, Naim & Whiteing, 2009; Davis-Sramek, Germain & Stank, 2010; Fugate, Mentzer & Stank, 2010; Green, Zelbst, Meacham & Bhadauria, 2012). Evidence showed that cultural, social, economic and environmental aspects of each country did influence the link between supply chain management and performance (Kaufmann & Carter, 2006; Miguel & Brito, 2011). Keebler and Plank (2009) agreed that the findings of US firm could not represent the universe of companies nor could findings be generalized to other countries. In addition, industrialized nations like those in Europe, America, and a portion of Asia had more advanced business structures and infrastructure than developing nations had, making it simpler for them to implement supply chain management practises. It was necessary to do empirical research in a variety of settings, especially in emerging economies like Nigeria, in order to generalize the causal
relationship between supply chain management and the success of manufacturing enterprises.

Although, in Africa and other developing countries, related research has been done in this area of study but their findings are mixed and inconsistent. For example, the empirical finding of Mutimos (2014) in regard to reuse products effect on performance is inconsistent with the result of Kabergey and Richu (2015). So also, the empirical finding of Smith and Chang (2010) in respect to customer relationship management impact on performance contradicts the outcomes of Thoo et al. (2011), Iriqat and Abu Daqar (2017), and Prabusankar (2017) respectively. It is against this backdrop that the study thus strives to validate the existing findings and to bridge the gap between supply chain management practises and operational performance by appraising the relationship between the supply chain management variables (procurement outsourcing and order process management) and operational performance of quoted manufacturing firms in Nigeria. Having reviewed the different constructs used by the different authors, the absence of a comprehensive framework that encompasses all supply chain management activities on both the upstream and downstream sides necessitated the use of the constructs. Therefore, the study seeks to:

i. examine the relationship between procurement outsourcing and operational performance in the manufacturing firms in Nigeria.

ii. evaluate the relationship between order process management and operational performance in the manufacturing firms in Nigeria.

2. Literature Review

2.1. Concept of Operational Performance

Operational performance was described by Voss, Ahlstrom, and Blackmon (1997) as the quantifiable results of a firm's operations like productivity, reliability, and production cycle turn that influence key business performance indicators like market share and customer satisfaction. The performance indicators of manufacturing firms include reliability, responsiveness, agility, cost and asset management (Sillanpaa & Kess, 2012). However, the most common performance indicators applicable to both manufacturing and service firms are cost, quality, speed, flexibility and dependability (Slack, Chambers & Johnston, 2004) plus improved customer satisfaction (Zhang, Vonderembse & Lim, 2005). Cost is about doing things economically such that efficiency and productivity is improved (Batista, 2009). Dependability involves being reliable by doing things as promised and on time (Batista, 2009). While Customers satisfaction has to do with developing logistics flexibility which enabled quick replenishment of incoming materials, supply of quality components, rapid delivery of finished products and reliable services to customers (Zhang et al., 2005)
plus reduced customer complaints, increased customer compliment to the firm and growth in value added productivity (Tracey & Tan, 2001). An improved operational performance in a firm, result in various benefits. Among them include better customer service and customer retention, lower prices, better capacity utilization, efficient risk management, quick service and delivery of goods, increased visibility of relevant performance, higher productivity, and improved competitive position in the market. Some other benefits include customer compliment to the firm, reduced scrap, reduced inventory levels, reduced customer complaints and improved quality (Ninlawan, Seksan, Tossapol & Pilada, 2010). However, this study measures operational performance of the quoted manufacturing firms in Nigeria in terms of cost, quality, speed, flexibility, dependability, and customer satisfaction.

2.2. Supply Chain Management

Even if originally described as a chain, supply chain can currently be defined as the network of companies that are involved through upstream and downstream linkages in the different processes and activities that create value in the form of products and services in the hands of the ultimate customer (Christopher, 1998). Mentzer, DeWitt, Keebler, Min, Nix, Smith and Zacharia (2001) define SCM as encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities, including coordination and collaboration with suppliers, intermediaries, third-party service providers, and customers. SCM is the management and integration of the complete set of business processes that produce goods, services, and information that create value for customers (Cooper, Lambert & Pagh, 1997). Authors such as New and Payne (1995), Christopher (1998), and Simchi-Levi, Kaminsky and Simchi-Levi (2000) define supply chain management as the integration of key business processes among a network of interdependent suppliers, manufacturers, distribution centers, and retailers in order to improve the flow of goods, services, and information from original suppliers to final customers, with the objectives of reducing system-wide costs while maintaining required service levels. Supply chain management deals with the incorporation of critical corporate practises from the end user through the original suppliers to deliver goods, services, and information that add value for clients and other stakeholders, according to the Global Supply Chain Forum (GSCF) (as cited in Lambert, Cooper & Pagh, 1998). Conversely, a supply chain is a network of organizations performing various processes and activities to produce value in the form of products and services for the end customer (Christopher, 1992). SCM concerns the integrated and process-oriented approach to the design, management and control of the supply chain, with the aim of producing value for the end customer, by both lowering cost and improving customer service (Bowersox & Closs, 1996; Giannocearo & Pontrandolfo, 2002). Scott and Westbrook (1991) portray SCM as the chain linking each element of the manufacturing and supply process from raw materials through to the end user or customer, encompassing a number of organizational boundaries and treating all organizations within the value chain as an integrated virtual business entity. Supply chain goals are to achieve low operating
costs, minimize the assets in the chain and provide service to customers (Omigie, 2018; Schary & Skjoett-Larsen, 2001).

2.3. Procurement Outsourcing

According to Mojsilovic, Ray, Lawrence and Takriti (2007), procurement outsourcing is the practise of handing off specific essential procurement tasks to a third party, such as supplier management and sourcing, in order to cut costs generally or narrow the company's emphasis to its core strengths. Procurement service providers do deliver advanced expertise which improves the capability of the organization since it can use the expertise and outsourced management experience to run its activities (Bailey, Masson & Raeside, 2002). However, According to Joel and Linda (2008), it is paramount that firms develop strong relationships and partnerships with suppliers inclusive of third party service providers based on a strategic perspective, and then manage the relationships to create full value for all participants in the supply chain. According to Randall (1993), organizations undergo rapid changes due to changing internal and external environments and are likely to benefit if they embrace procurement outsourcing as an operational strategy to reduce operational costs. In procurement outsourcing there are several practises that are observed between the manufacturing firms and third party service providers inclusive of consultancy services, distribution and logistics services, warehousing services, information systems management, purchasing functions, supplier management and inventory management (Leenders, Fearon, Flynn & Johnson, 2002). Bailey et al. (2002) studied the outsourcing in Edinburgh and Lothians and suggested that improving the quality of service, reducing operation costs, focusing on the core business functions, accessing advanced technology and management experience were some of the major motivations for outsourcing. According to Belcourt (2006), the rationale for outsourcing some functions or processes includes substantial financial economies, increased ability to focus on strategic issues, access to technology and specialized expertise, and an ability to demand measurable and improved service levels. According to Minahan (1995), Procurement officers can outsource consultancy services on how to optimize productivity, reduce operational costs, increase supply chain visibility, increase the quality of goods and services, and how to improve customer care. However, the research first hypothesis states that:

\[ H_{01} : \text{Procurement outsourcing does not significantly impact on the operational performance of quoted manufacturing firms in Nigeria.} \]

2.4. Theoretical Underpinning

This study is based on the Agile Supply Chain Theory. The agile manufacturing concept was put forward by Iaccoca Institute of Lehigh University in 1991 (Barasa, Simiyu &
The capability to adapt to changing market demand regarding volume and diversity is a key component of agile production. Agile manufacturing is based on lead time reduction and has shown to be effective whenever product life cycles are short and market demand is unpredictable (Towill & McCullen, 1999). Lumsden (1998) argues that an agile supply chain has a high capability to flexibility adapt to the fast changing environment and thus can easily gain customer satisfaction. Yusuf, Sarhadi and Gunasekaran (1999) terms agility as the successful exploration of competitive bases of innovation proactivity, speed, flexibility, product/service quality, and profitability through the integration of reconfigurable resources and best practises in a knowledge-rich environment to provide customer-driven products and services in a fast changing market environment. Agile firms or companies perform all physical activities rapidly and accurately because of faster material, information and decision flow through the entire network of the supply chain and therefore enabling the shorter response to the market needs (Naylor, Naim & Berry, 1999). The more quickly a supply chain can transfer goods, information, and decisions through it, the faster it can satisfy client demands. Agile manufacturing uses market knowledge and a virtual corporation to exploit profitable opportunities in a volatile marketplace (Naylor et al., 1999).

3. Methodology of Study

3.1. Research Approach and Study Design

The research design for this study was a cross-sectional survey. In learning more about the operational effectiveness of manufacturing companies in Nigeria and supply chain management characteristics, data were systematically gathered from the sampled respondents using questionnaires. Four thousand, nine hundred and eighty four (4,984) employees from the production unit/department, procurement unit/department, warehouse unit/department, logistics unit/department, and marketing unit/department of all manufacturing firms quoted on the Nigerian Stock Exchange (NSE) and operating in Nigeria's Edo and Delta States make up the study's population. Using the Yamane (1964) formula, a sample size of 370 was calculated because the population is known and the same number of questionnaires was distributed, however only 318 were deemed to be useful. Descriptive and inferential statistics were used to analyze the research data. The descriptive measures used were frequency tables, percentage analysis, and means. The applied ordinary least square (OLS) regression and Pearson correlation techniques are the inferential statistics measurements. Statistical Package for Social Sciences was used to analyze the data (SPSS version 21.0). The following describes the regression model used in this study:

\[ OP = \alpha + \beta_1 \text{POS} + \beta_2 \text{OPM} + \varepsilon \]

(Where, \( OP \) = Operational Performance; \( \text{POS} \) = Procurement Outsourcing; \( \text{OPM} \) = Order Process Management; \( \alpha \) is constant, \( \beta_1 \) & \( \beta_2 \) are coefficient to estimate, and \( \varepsilon \) is the error term).
3.2. Data Analysis and Presentation

This segment presents the analysis of the data collected from questionnaire administration. The presentation and analysis of the data in this section is in line with the aim of the study. Out of 370 copies of the questionnaire administered, 318 were found usable. Out of the total of 318, 10 (3.1%) were obtained from respondents from Seven-Up Bottling Company; 180 (56.6%) were obtained from Presco Plc, 15 (4.7%) were obtained from Guinness Nigeria Plc, 1 (0.3%) were obtained from Austin Laz and Company Plc, 12 (3.8%) were obtained from Beta Glass Plc, while 100 (31.4%) were obtained from respondents from Okomu Oil Palm Company Plc. Firstly, the demographic features of the respondents which include marital status, gender, age, educational qualification and department/unit were presented and discussed. The relationships between operational performance (the dependent variable) and procurement outsourcing and order process management (the independent variables) were established using Pearson correlation and the ordinary least square (OLS) regression tool for analysis. Finally, the tested research hypotheses and results from the data analysis were discussed.

**Description of respondents’ background information**

The respondents' various background details, including gender, marital status, age, level of education, and department or unit, are included in this section. The results are presented in Table 1 below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>221</td>
<td>69.5</td>
<td>69.5</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>97</td>
<td>30.5</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>318</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>125</td>
<td>39.3</td>
<td>39.3</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>192</td>
<td>60.4</td>
<td>99.7</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>1</td>
<td>0.3</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>318</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Age of Respondents</td>
<td>1-20 years</td>
<td>21</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td></td>
<td>21-40 years</td>
<td>142</td>
<td>44.7</td>
<td>51.3</td>
</tr>
<tr>
<td></td>
<td>41-60 years</td>
<td>145</td>
<td>45.6</td>
<td>96.9</td>
</tr>
<tr>
<td></td>
<td>Above 60 years</td>
<td>10</td>
<td>3.1</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>318</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>SSCE/GCE</td>
<td>50</td>
<td>15.7</td>
<td>15.7</td>
</tr>
<tr>
<td></td>
<td>ND/NCE</td>
<td>97</td>
<td>30.5</td>
<td>46.2</td>
</tr>
<tr>
<td></td>
<td>HND/First Degree</td>
<td>152</td>
<td>47.8</td>
<td>94.0</td>
</tr>
<tr>
<td></td>
<td>Masters</td>
<td>19</td>
<td>6.0</td>
<td>100</td>
</tr>
</tbody>
</table>
Gender: Table 1 shows that majority of the respondents are male, which are 221 accounting for 69.5% of the respondents. The female respondents consist of 97 that accounts for 30.5% of the total respondents.

Marital Status: The marital status shows that 125 (39.5%) of the respondents were single, while 192 (60.4%) were married. Only 1 respondent representing 0.3% are divorced.

Age of Respondents: The age distribution shows that majority of the respondents (145, 45.6%) were between 41 to 60years old. This is followed by 21-40 years old (142, 44.7%) and 1-20years (21, 6.6%). Finally, age group above 60years accounts for 3.1% of the total respondents.

Educational Qualification: Only 50 employees have SSCE/GCE. This category accounts for 15.7%. 97 (30.5%) of the respondents have ND/NCE while 152 (47.8%) of the respondents have first degree (HND/B.Sc Degree). Respondents with postgraduate qualification (Masters) account for 6%. It can be inferred that great proportion of the respondents are educated enough to give appropriate responses to the items in the questionnaire.

Department: The respondents were grouped into five departments. Majority of the respondents are from production department. This category accounts for 51.6%. Respondents from procurement department account for 14.2% while respondents from warehouse department account for 10.1%. Respondents from Logistics and Marketing departments account for 11.9% and 9.1% respectively.

Correlation Analysis
Pearson Correlation was conducted to establish the possible association between the variables of interest as shown in the table 2 below;

Table 2: Pearson correlation coefficients among research variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>OP</th>
<th>POS</th>
<th>OPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Performance (OP)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey
Table 2 shows that operational performance is positively and significantly related to procurement outsourcing ($r=0.145$, $p < 0.05$) and order process management ($r=0.483$, $p < 0.05$). According to Hair Jr., Black, Babin and Anderson (2014), multicollinearity between exogenous latent constructs are present statistically when the correlation coefficient is 0.90 and above. Hence, there is absence of multicollinearity since the correlation coefficient between the dependent variable (operational performance) and the independent variables (procurement outsourcing and order process management) are below the benchmark of 0.90.

**Regression Analysis Results**

Regression analysis was performed to establish the relationship between supply chain management practise variables and operational performance in the understudied manufacturing firms. The result is shown in Table 3 below:

### Table 3: Relationship between supply chain management practise variables and operational performance

<table>
<thead>
<tr>
<th>Dependent Variable: Operational Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>C</td>
</tr>
<tr>
<td>Procurement Outsourcing (PO)</td>
</tr>
<tr>
<td>Order Process Management (OPM)</td>
</tr>
<tr>
<td>R-squared</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
</tr>
<tr>
<td>Observations</td>
</tr>
</tbody>
</table>

*Source: Researcher’s computation*
Operational Performance: Results in Table 3 reveal that operational performance is positively and significantly related to procurement outsourcing and order process management at 5% level of significance. The coefficient of determination (R²) value of 0.4236 was obtained. The Adjusted R² of 0.4143 shows that the independent variables jointly explained 41.43% of the variation in the dependent variable. The Durbin-Watson statistic of 1.8197 reveals the absence of autocorrelation, because the Durbin-Watson statistic is approximately 2.00 (Studenmund, 2000). The F-statistic of 45.8542 is significant at p<0.05 (p=0.000). This indicates that the dependent variable and the independent variables have a statistically significant connection.

3.3. Test of Hypotheses

The results in Table 3 were used to test the hypotheses stated for this study:

H₀₁: Procurement outsourcing does not significantly impact on the operational performance of quoted manufacturing firms in Nigeria.

Table 3 shows that there is a positive and statistically significant relationship between procurement outsourcing (β= 0.0829; p<0.05) and operational performance. The t-statistic of 3.0493 and p-value less than 5% confirmed the result. Based on the result, we reject the null hypothesis. We therefore conclude that procurement outsourcing does significantly impact on operational performance of quoted manufacturing firms in Nigeria.

H₀₂: Order process management does not significantly impact on the operational performance of quoted manufacturing firms in Nigeria.

Table 3 shows that there is a positive and statistically significant relationship between order process management (β= 0.3498; p<0.05) and operational performance. The t-statistic of 7.9725 and p-value of less than 5% confirmed the result. Based on the outcome, we reject the null hypothesis. Thus, we draw the conclusion that order process management has a considerable impact on the operational performance of quoted manufacturing firms in Nigeria.

4. Discussion of Findings

First, for procurement outsourcing, β= 0.082974, t-Statistic= 3.049313 and p<0.05 shows that there is a positive and statistically significant relationship between procurement outsourcing and operational performance. We therefore conclude that procurement outsourcing does significantly impact on the operational performance of quoted manufacturing firms in Nigeria. This finding supports the outcome of Kinyanjui (2014) that investigated the connection between manufacturing companies' supply chains' performance and procurement outsourcing in Nairobi. According to the study, supply chain
performance and procurement outsourcing are positively correlated. It also corresponds to the findings of Kogoh (2015) that investigated the effect of outsourcing on performance of logistics industry in Kenya. It was revealed that outsourcing of order processing, transport logistics and warehousing on the functioning of the logistics sector in Kenya were discovered to have a statistically significant positive impact. However, the finding of this study is inconsistent with Kogoh (2015) investigation in the area where Packaging logistics outsourcing does not significantly impact on the performance of the logistics industry in Kenya. In addition, our result also conforms to the findings of Khalili and Adhami (2014), Nyangau, Mburu and Ogolla (2014), Adu-Gyamfi (2015), Mwichigi and Waiganjo (2015), and Muthoni (2016) accordingly. Mwichigi and Waiganjo (2015) revealed that outsourcing of services at Kenya Power had led to reduced operational costs and had also resulted in operational efficiency. The study's findings indicate a considerable positive correlation between administrative, financial, human resource, and technical outsourcing services and operational performance. Muthoni (2016) however, concludes that if an organization is enthusiastic on improving its supply chain performance it should outsource all functions of the various supply chain processes whose outsourcing leads to significant improvement of its performance. While it is preferable to carry out internally those supply chain processes activities whose outsourcing does not significantly enhance the performance of the company.

However, for order process management, β = 0.349839, t-Statistic= 7.972484 and p<0.05 shows that there is a positive and statistically significant relationship between order process management and operational performance. We therefore conclude that order process management does significantly impact on the operational performance of quoted manufacturing firms in Nigeria. This finding validates the study of Perry (2012), Kogoh (2015), and Mwangangi (2016) respectively. According to Perry (2012) investigation, order fulfillment positively correlated to organizational performance and competitive advantage. The study of Mwangangi (2016) established that order process management positively and significantly influence the performance of firms. However, Kogoh (2015) revealed that order processing outsourcing have a statistically positive effect on the performance of the logistics industry in Kenya. This research outcome is also supported by Wardaya et al. (2013) standpoint that transmission of customers’ order triggers the supply chain management processes within the firm and through order processing, handling and monitoring of order could be addressed, from the time it was placed by the customer to the delivery of the shipment documents and invoice to the customer.

6. Conclusions

This study examined the impact of supply chain management practises on operational performance of quoted manufacturing firms in Nigeria. The study sought to examine the impact of procurement outsourcing and order process management on operational performance of quoted manufacturing firms in Nigeria. In this study, the independent variables are procurement outsourcing and order process management while the dependent
variable is operational performance. The Pearson correlation coefficients show that operational performance is positively and significantly related to supply chain management practise variables i.e. procurement outsourcing and order process management at 5% level of significance. Also, based on the ordinary least squares regression, the study revealed that procurement outsourcing (β= 0.082974, t-Statistic= 3.049313 and p<0.05) and order process management (β= 0.349839, t-Statistic= 7.972484 and p<0.05) have positive and statistically significant relationship with operational performance of quoted manufacturing firms understudied. We therefore conclude that procurement outsourcing and order process management does significantly impact on operational performance of quoted manufacturing firms in Nigeria.

7. Recommendations

Based on this study, the following recommendations are suggested:

1. That the management of manufacturing firms should take legal actions against the third parties offering the services or products being outsourced to prevent information leaks or an infringement into company privacy;

2. That management of manufacturing firms conducts a benchmarking exercise for best players in the industry as a way to improve their procurement outsourcing practises. This would allow them to attain and keep up supply chain performance that is unmatched;

3. The manufacturing firms should concentrate on the production and services they have the expertise on and outsource those functions other firms or individual can do better for them;

4. The facility and competence of order processing system should be regularly evaluated using indicators that tracked the flexibility and reliability of order handling; and

5. Lastly, managers in manufacturing firms should incorporate information flow management within the performance strategies of their businesses. Since it is not possible to have reliable and efficient flow of materials and client orders without it.

Disclosure Statement
No potential conflict of interest was reported by the authors.

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