SUPPLY CHAIN MANAGEMENT AND ORGANIZATIONAL PERFORMANCE AND RETAIL CHALLENGES

*Atul Chaturvedi, **Dr Sujay Madhukar Khadilkar

Research Scholar, **Research Supervisor
Department of Management,
Himalayan University,
Itanagar, A.P.

ABSTRACT

Introduction: *The retail trade in agricultural and horticultural goods is a part of NLR, or non-livestock retailing.*

Aim of the study: *the main aim of the study is to Supply Chain Management And Organizational Performance And Retail Challenges*

Material and method: *The database of suppliers was compiled using the data provided here, with the emphasis on the items they provided.*

Conclusion: *This discovery would be of immediate use to retailers in identifying bottlenecks and gaps in "Inventory management" and the process of restocking store shelves.*

INTRODUCTION

ORGANIZATIONAL PERFORMANCE AND RETAIL CHALLENGES

In order to sell goods and services directly to end users for non-commercial purposes, such as personal or domestic usage, a business engages in retailing. Stores in this sector are known as 'karyana' in India. Karayas have been around for a very long time. The retail trade in agricultural and horticultural goods is a part of NLR, or non-livestock retailing. When Mother's Dairy began selling milk and vegetables in New Delhi in 1980, the notion of organised retailing took off. Seed, pulse, and dairy product co-ops weren't uncommon in the 20th century, and businesses like Verka, Amul, and Markfed expanded on the model. The deregulation in 1991 sparked a growth spurt in structured commerce. The CMIE study found that the retail sector had a doubling of growth between 1990 and 1999.

There are 15 million merchants in India, most of them are "mom pop" shops covering 31 million square metres and bringing in USD 11 billion in sales between 2007 and 2008. When it came to organised retail, several significant companies could find a home after 1990. In 1990, just three retail malls existed: Spencer Plaza in Chennai, Ansal Plaza in New Delhi, and Cross Roads in Mumbai. The number of different types of stores reached the thousands by the end of 2007. In recent years, India has seen a boom in the organised retail sector.

Retail Challenges

The organised retail business in India is quite young, at about a decade old, and it faces various difficulties. As numerous academics have noted, there are a number of obstacles to overcome: The following significant retail difficulties have been discovered from interaction with organised NLR and consultants:

Product Sourcing: Inventory planning and management owe a great deal on the choices made about where to get goods. The price of a product has a one-to-one correlation with its level of organisation in NLR. Buying via a distributor or wholesaler adds a markup to the price of goods compared to buying from the farmers themselves. Retailers and farmers often sign contract farming arrangements these days. Due to the clear benefits of sourcing, several well-structured NLR players have invested in farms to control their stockpiles.

Transparency: Because the demographic that shops at department stores and shopping malls is savvy enough to compare products and prices, transparency has emerged as a key obstacle for retailers. Unless all product details are shown after thorough verification, the churn rate is likely to increase.

Specialized Skills: In order to sell such a wide range of products and persuade and please such a wide diversity of clients, you need people with exceptional skill sets. This is because similar things may have vastly different connotations depending on the individual buyer. If you can't persuade your customers, you won't make any sales.

Manpower Management: Discussions with established companies revealed a lack of enthusiasm among the industry's most skilled professionals. They too, after gaining some work experience, decide to quit. As such, it represents one of the industry's most pressing problems.

Karyana Stores: Typical merchants run these kinds of shops. Most of the time, they are store owners or rent stores from larger shops at very inexpensive rates. It was also found that karyana shops tend to cluster in highly visible sites close to densely populated residential areas. That's why it's so difficult for chain stores to compete.

LITERATURE REVIEW

Khalil, Muhammad Khuram & Khalil (2019) This article explores the role of innovation as a mediator between supply chain management strategies and organisational success. 207 SMEs in the Punjab province of Pakistan provided the data. We tested our hypothesis using PLS-SEM. The results show that the strategic relationship with the supplier and the extent of information exchange did not affect the success of the business. In addition, the lean methods, the internal supply chain procedure, and the quality of information exchange all had substantial impacts on the efficiency of the business. In addition, all five supply chain management methods contributed significantly to a more creative environment. In the meanwhile, innovation served as a substantial and beneficial mediator between the five practises of supply chain management and the performance of the business.

Pathiranage, Yasas (2019) This article aims to show how to conceptualise and assess organisational culture, as well as study its impact on company success from several angles. First, we take a look at what's been written on the relationship between company culture and bottom-line results. The purpose of this study is to provide a synthesis of the literature on the topic of the importance of organisational culture in fostering superior business performance and productivity. Journals, magazines, important books, and other published resources on the topic of organisational culture are all included in the literature study.

Miao, Miao (2019) Researchers and company owners have been interested in the concept of globalising retail for quite some time. Thus, further research is required to determine how to effectively adapt retail internationalisation in a variety of cultural contexts and industries. This article focuses on the difficulties associated with internationalising the retail sector at the present time. To better understand the internationalisation of retail, we use an organisational framework in this study to detail the new issues at the corporate and retail levels and provide the groundwork for future research.

Sezen, Bulent & Çankaya, Sibel (2019) Buying green, making green products, distributing green, packaging green, marketing green, educating about the environment, managing the environment internally, and recovering investments are the eight facets explored in this research. Utilizing a survey at the plant level, we investigate the connections between GSCM characteristics and sustainability performance. By conducting a cross-sectional survey through both in-person and electronic communication with Turkish manufacturing enterprises, this study tests a suggested research paradigm and hypotheses. These theories are put to the test using structural equation modelling. The findings are significant because they emphasise the value of GSCM in raising sustainability outcomes.

Ge, Deng & Pan, Yi & Shen (2019) Over the past several decades, the retail business has seen rapid change due to the widespread use of the internet, mobile technologies, and most crucially, e-commerce. Supply chain management, a cornerstone of the retail business, has experienced significant changes as a result of the emergence of new market circumstances and technical breakthroughs in algorithm design and processing capability. Supplier management, demand forecasting, inventory control, and order fulfilment are just few of the facets of supply chain management that will be dissected in this essay. We'll discuss what's trending now and what's going to be a big deal in the future in both the academic and business worlds.

METHODOLOGY

The database of suppliers was compiled using the data provided here, with the emphasis on the items they provided. Senior executives and managers often play the role of liaison in the retail industry, communicating with store owners and managers in person or over the phone. Philips (1981) suggests considering the expertise of key informants at supplier companies; this was done. In the first contact screening process, respondents were disqualified if they did not fulfil the above criteria.

DATA COLLECTION AND ANALYSIS

There was a five-point likert scale used to rate the replies. AMOS 19.0 and SPSS 18.0 were used for the statistical analysis. Correlations between the primary components revealed by confirmatory factor analysis were examined using route analysis findings.

RESULTS

MEASUREMENT RESULTS (SUPPLIERS)

The results of the instrument validation for each of the nine core components of Supplier Version are shown below (Table 4.1). The preceding section detailed the instrument evaluation approach for each construct. These abbreviations were used to indicate the order of questionnaire questions within each subconstruct before presenting the study's findings.

Table 4.1 Supplier Version Constructs

Code	Constructs
Extent of Retailer -Supplier Integration (SV Sec I)	
SCP	Collaboration and Partnership
Information Technology (SV Sec II)	
SSP	Strategic Planning
SOP	Operations Planning
Business Performance (on Agree Scale) (SV Sec III A)	
SFA	Financial Performance
SOA	Operational Performance
SRA	Supplier - Retailer Relationship
Business Performance (on Satisfaction Scale) (SV Sec III B)	
SFS	Financial Performance
SOS	Operational Performance
SRS	Supplier - Retailer Relationship

Extent of Retailer -Supplier Integration (Supplier Version)

Purifying items (ensuring reliability and unidimensionality) for the Retailer Version's Supplier Integration Study starts with a look at the corrected item total correlation (CITC) and a first reliability analysis. The CITC for everything listed below under "Collaboration and Partnership (SCP)" (Table 4.2) was determined to be more than 0.4. In the end, we got an Alpha of 0.90 for Cronbach's.

Table 4.2: Purification for Extent of Retailer-Supplier Integration (Supplier Version)

Items	Corrected Item Total Correlation	Cronbach's Alpha
Collaboration and Partnership (SCP)		
Partnership of Supplier retailer in R & D	0.6	0.9
Partnership of Supplier retailer in procurement	0.62	
Partnership of Supplier retailer in "Inventory management"	0.69	
Partnership of Supplier retailer in product manufacturing	0.67	
Partnership of Supplier retailer in design in SC	0.77	
Partnership of Supplier retailer in supply software implementation	0.78	
Partnership of Supplier retailer in common use of 3rd party logistical service	0.52	
Length of relationship with retailer	0.73	
Partnership feedback from retailer	0.69	

The first model fit indices are far from suggesting a good match. Accordingly, further model tweaking (convergent validity) was done using the principles laid forth. The first model fit indices for the nine SCPs shown in the table below indicate a lacklustre fit. For this reason, a second connection was established between the two factors "Supplier retailer partnership length" and "Feedback of supplier regarding partnership" in order to ensure a more optimal match. You can see in the table below how much better the final model fit indices are.

Table 4.3 Model Fit Indices for Extent of Retailer -Supplier Integration (Supplier Version)

Items	Initial Model Fit	Final Model Fit
Collaboration and Partnership (SCP)		
Partnership of Supplier retailer in R & D	GFI= 0.93	GFI= 0.95
Partnership of Supplier retailer in procurement	AGFI= 0.88	AGFI= 0.91
Partnership of Supplier retailer in "Inventory management"	RMSEA= 0.09	RMSEA= 0.06
Partnership of Supplier retailer in product manufacturing		
Partnership of Supplier retailer in design in SC		
Partnership of Supplier retailer in supply software implementation		
Partnership of Supplier retailer in common use of 3rd party logistical service		
Length of relationship with retailer		
Partnership feedback from retailer		

Information Technology (Supplier Version)

Through the use of a corrected item total correlation (CITC) study and an initial reliability analysis, we were able to exclude any potentially problematic items from the IT subsector. Table 4.30 shows that the CITC for anything labelled "Strategic Planning (SSP)" is more than 0.4. Cronbach's Alpha

was calculated to be 0.93 in the final analysis. And it was discovered that the "Operations Planning (SOP)" elements all had CITC scores higher than 0.4. In the end, we got an Alpha of 0.90 for Cronbach's.

Table 4.4 Purification for Information Technology (Supplier Version)

Items	Corrected Item-Total Correlation	Cronbach's Alpha
"Collaborative planning and demand forecasting"	0.82	0.93
"Budget planning"	0.79	
"Investment planning"	0.8	
"Technology justification"	0.75	
"Competitor analysis"	0.76	
"Network planning and design"	0.69	
"Negotiations"	0.72	
"Industry analysis"	0.73	
"Data communication"	0.67	
"Organisation wide communication network services"	0.79	
"Organisation wide messaging services"	0.71	
"Operations Planning (SOP)"		
"Material requirement planning"	0.73	0.9
"Techno commercial biddings"	0.5	
"Purchasing management"	0.75	
"Production planning and control"	0.75	
"Inventory management"	0.78	
"Sales management"	0.77	
"Customer relationship management"	0.82	
"Supplier relationship management (your suppliers)"	0.76	
"Distribution management"	0.79	

As can be seen in Table 4.5, the first model fit indices for the IT sector (Supplier Version) are quite poor. Accordingly, further model tweaking (convergent validity) was done using the principles laid forth. The model fit findings for the two constructs, "Strategic Planning" (SSP) and "Operations Planning" (SOP), are shown in the table below.

Table 4.5 Model Fit Indices for Information Technology (Supplier Version)

Items	Corrected Item-Total Correlation	Cronbach's Alpha
"Collaborative planning and demand forecasting"	GFI=0.81	GFI=0.92
"Budget planning"	AGFI= 0.72	AGFI= 0.86
"Investment planning"	RMSEA=0.15	RMSEA=0.08
"Technology justification"		
"Competitor analysis"		
"Network planning and design"		
"Negotiations"		
"Industry analysis"		
"Data communication"		

"Organisation wide communication network services"		
"Organisation wide messaging services"		
"Operations Planning (SOP)"		
"Material requirement planning"	GFI=0.85	GFI=0.95
"Techno commercial biddings"	AGFI= 0.76	AGFI= 0.91
"Purchasing management"	RMSEA=0.15	RMSEA=0.073
"Production planning and control"		
"Inventory management"		
"Sales management"		
"Customer relationship management"		
"Supplier relationship management (your suppliers)"		
"Distribution management"		

The results of the discriminant validity study are shown in Table 4.32. There is strong evidence of discriminant validity between the constructs because there are statistically significant differences in the X2 values for the pair at the p 0.001 level.

Table 4.6 Pair-wise Comparison of X2 values for Information Technology (Supplier Version)

Supplier Version (Section 11)			
Construct	SSP		
	Free	Fix	Diff.
SSP			
SOP	443.32	482.07	38.75

CONCLUSION

This discovery would be of immediate use to retailers in identifying bottlenecks and gaps in "Inventory management" and the process of restocking store shelves. We may learn from the study's first conclusion that suggests bolstering integration operations between suppliers and retailers to improve the link between shelf restocking and "Inventory management". Taking the right steps to enhance the integration activities will increase the connection between retail shelf replenishment and "Inventory management", which will have a positive effect on operational efficiency and the bottom line.

REFERENCES

1. Khalil, Muhammad Khuram & Khalil, Rashid & Khan, Sajjad. (2019). *A study on the effect of supply chain management practices on organizational performance with the mediating role of innovation in SMEs - Scopus Indexed.* 7. 179-190. 10.5267/j.uscm.2018.10.007.

2. Pathiranage, Yasas. (2019). Organizational Culture and Business Performance: An Empirical Study. *International Journal of Economics and Management*. 6. 1-12. 10.14445/23939125/IJEMS-V6I6P101.

3. Miao, Miao. (2019). The Current Research Issues of Retail Internationalization. *International Business Research.* 12. 1. 10.5539/ibr.v12n2p1.

4. Sezen, Bulent & Çankaya, Sibel. (2019). Effects of green supply chain management practices on sustainability performance. *Journal of Manufacturing Technology Management*. 30. 98-121. 10.1108/JMTM-03-2018-0099.

5. Ge, Deng & Pan, Yi & Shen, Max & Wu, Di & Yuan, Rong & Zhang, Chao. (2019). Retail supply chain management: a review of theories and practices. *Journal of Data, Information and Management*. 1. 10.1007/s42488-019-00004-z.

6. Rajagopalan, Prabusankar & Praveenkumar, V. & Rajkumar, N.. (2018). A study on influence of supply chain management practices on product quality and performance of organized retail sector in Tamil Nadu. *International Journal of Mechanical Engineering and Technology*. 9. 46-54.

7. Sandberg, Erik & Jafari, Hamid. (2018). Retail supply chain responsiveness - Towards a retail-specific framework and a future research agenda. *International Journal of Productivity and Performance Management.* 67. 00-00. 10.1108/IJPPM-11-2017-0315.

8. Patro, Chandra Sekhar & Kumar, Kakumanu. (2018). *The Value of Training and Development on Employees' Performance in Organized Retail.*

9. Gandhi, Aradhana & Shaikh, Ateeque & Sheorey, Pratima. (2017). Impact of supply chain management practices on firm performance: Empirical evidence from a developing country. *International Journal of Retail & "Distribution management".* 45. 366-384. 10.1108/IJRDM-06-2015-0076.

10.   Al-Madi, Faisal. (2017). The Impact of Supply Chain Management Practices on Supply Chain Performance in the Jordanian Industrial Sector. *European Journal of Business and Management.* 9. 150-165.