A Study on the Factors Affecting the Application of an Efficient Supply Management System

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S. Anu
Final Year Student, Bachelor of Business Administration
Department of Business Administration
Bharata Mata College, Thrikkakara, Edappally, Kochi, Kerala

Dr. K.R. Ratheesh
Assistant Professor, Department of Business Administration
Bharata Mata College, Thrikkakara, Edappally, Kochi, Kerala

Abstract
The factors affecting the application of an efficient supply management system are investigated in this study. It investigates how supply chain operations are impacted by organizational procedures, technology, and the outside variables. The study looks into the function of sophisticated instruments. It tackles issues including excessive expenses and opposition to change. The results are intended to assist companies in enhancing overall operational performance and supply chain systems.
Keywords: Leadership Support, Employee Skills, Organizational Characteristics, Technology Adoption, Efficiency, Supply Chain Management

Introduction

Effective supply chain management, or SCM, is crucial in the fiercely competitive corporate world of today. SCM guarantees the smooth flow of products and services, enabling prompt delivery while maximizing both quality and cost. cutting-edge technologies, such as automation, Data analytics and artificial intelligence (AI) are becoming essential for increasing SCM systems' efficiency. The implementation and impact of these systems are further enhanced by effective organizational procedures, capable leadership, and skilled workers.

The study's main goal is to pinpoint the major elements influencing SCM effectiveness, such as leadership support, employee training, technological adoption, and outside obstacles like market instability and regulatory changes. It seeks to assess how these elements contribute to enhancing company performance, particularly in areas with fast expanding industrial development like Ernakulam, Kerala.

Research Methodology

This study uses a mixed-method approach, combining both primary and secondary data

Primary Data

Fifty people in supply chain management positions across different businesses in Ernakulam were given a standardized questionnaire. The queries answered were:

- Technology adoption in SCM
- Employee training adequacy
- External economic and regulatory challenges
- Perceived importance of SCM systems

Secondary Data

Data was sourced from industry reports, government publications, and academic journals. This helped establish a broader context for understanding the local and global supply chain challenges

Analysis Methods

Statistical methods such as chi-square, regression analysis, and percentage analysis were used to interpret the data and establish relationships between the variables.

Scope of the Study

The study focuses on businesses in Ernakulam, Kerala, particularly in sectors like manufacturing, logistics, healthcare, retail, and technology. Ernakulam is one of the most economically significant regions in Kerala, with a wide variety of industries depending on efficient supply chain management. This study aims to evaluate SCM practices within both urban and semi-urban environments in Ernakulam, considering the impact of global and regional supply chain challenges.

Research Objectives

1. To assess whether employees are trained to use supply management systems.
2. To understand the importance of a good supply management system for success.
3. To analyze the role of automation and technological advancements in SCM efficiency.
4. To assess whether employees are trained to use supply management systems.

Analysis

Table 1 Employee Training Adequacy

Training Level	Responses	Percentage	Total
Extensive Training	18	36%	18
Adequate Training	22	44%	22
Inadequate Training	8	16%	8
Not Applicable	2	4%	2
Total	**50**	**100%**	**50**

- Chi-Square Analysis: $\chi^2 = 8.2$, p-value = 0.05 (Significant relationship found).

The table shows that the majority (80%) of respondents feel their training is adequate or extensive. However, 16% report inadequate training, suggesting that while most organizations are focused on training, there is room for improvement in training programs to enhance SCM efficiency.

Suggestions: It is recommended that businesses invest in continuous employee training and upskilling to keep pace with technological advancements and improve supply chain efficiency.

2. To understand the importance of a good supply management system for success.

Table 2 Importance of SCM Systems

Opinion	Responses	Percentage	Total
Very Important	15	30%	15
Important	20	40%	20
Neutral	10	20%	10
Not Very Important	4	8%	4
Not Important at All	1	2%	1
Total	**50**	**100%**	**50**

- Regression Analysis: A positive correlation was observed between the importance of SCM and operational success ($R^2 = 0.65$, $p < 0.01$).

The majority of respondents (70%) emphasize the significant role of SCM in business success. This reveals how SCM's significance for operational efficiency and competitiveness is becoming increasingly acknowledged.

Suggestions: Companies should prioritize the integration of efficient supply chain systems, with an emphasis on leadership support and technological adoption.

3: Examine how automation and technical developments affect SCM effectiveness.

Impact of Automation and Technology on SCM Efficiency

Technology Adoption	Responses	Percentage	Total
Technology Adoption	Responses	Percentage	Total
Highly Impactful	25	50%	25
Somewhat Impactful	15	30%	15
Not Impactful	8	16%	8
Not Applicable	2	4%	2
Total	**50**	**100%**	**50**

- Chi-Square Test: $\chi^2 = 15.6$, p-value = 0.01 (Highly significant).

Over 80% of those surveyed concur that technology and automation are essential for increasing SCM effectiveness. This highlights how crucial it is for contemporary supply chains to incorporate technology like automation, IoT, and artificial intelligence.

Suggestions: To enhance decision-making, lower human error, and maximize operational efficiency, businesses should invest in automation systems and AI-driven solutions.

4.To explore the impact of external economic and regulatory factors on SCM application.

Table 4 External Challenges in SCM Implementation

Challenge	Responses	Percentage	Total
Challenge	Responses	Percentage	Total
Regulatory Compliance Issues	10	20%	10
Market Volatility	18	36%	18
Supply Chain Disruptions	12	24%	12
Global Trade Policies	10	20%	10
Total	**50**	**100%**	**50**

- Percentage Analysis: The greatest challenges are market volatility (36%) and supply chain disruptions (24%), followed by regulatory issues and global trade policy impacts.

SCM has many external problems, including market volatility and regulatory compliance. To successfully handle these outside challenges, businesses must have strong risk management plans.

Findings & Recommendations

Technology Integration: SCM efficiency is greatly impacted by the application of automation and cutting-edge technologies like AI and IoT.

Training Programs: Although the majority of workers receive training of some kind, a noteworthy a percentage mentions insufficient training, indicating the necessity of ongoing SCM tool education.

External Challenges: Businesses face substantial risks, and the primary obstacles to effective SCM use are market volatility and regulatory compliance

Recommendations: To react quickly to market swings, businesses should create risk mitigation plans, implement flexible supply chain management techniques, and keep a careful eye on regulatory developments.

Conclusion

This study emphasizes how crucial effective supply chain management is to the success of businesses. Although there are obstacles including a lack of training, high implementation costs, and outside variables like market instability, incorporating cutting-edge technologies and developing a competent staff may greatly improve the efficiency of SCM. Future studies can examine case studies of companies that have effectively adopted SCM enhancements and go deeper into the long-term effects of digital transformation on SCM.

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