



PROCUREMENT PROCEDURE AND INVENTORY MANAGEMENT: EVIDENCE FROM SMALL AND MEDIUM SIZED ENTERPRISES IN ANURADHAPURA DISTRICT

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Abstract

Procurement procedure and Inventory management practices are very essential concept in making all the judgments and employment in controlling the inventory in small and medium size enterprises such as activities to be carried out, guidelines of inventory management, and procedures in handling the inventory in line with procurement procedure in order to ensure adequate quantity of each item is kept in the warehouse at all times. This study has been conducted to find out the relationship and impact of procurement procedure on inventory management practices in small and medium sized enterprises in Anuradhapura district. The study selected 100 SMEs based on the stratified sampling method and used self – administered questionnaire to collect the data on the variables concerned with the study. And also Inventory Planning, Funding and documentation were used as control variable. The data were analyzed and hypotheses were tested through descriptive statistics, correlation analysis and regression analysis. Finding revealed that, there is a significant impact of procurement procedure on Inventory Management Practices under the both bivariate and multivariate analysis and also Funding and Documentation have significant impact except Inventory Planning on Inventory Management Practices under the multivariate Analysis. The findings of the study hold practical implication for Policy Makers, Manager and investors and store keeper.

Keywords : Procurement Procedure, Inventory Management Practices, Small and Medium Size Enterprises.